

INDUSTRIAL COUNCILS

TEXT OF REPORTS OF WHITLEY COMMITTEE
AND OF CERTAIN COMMUNICATIONS
RELATING THERETO

Published by the Authority of the Minister of Labour of Canada.

OTTAWA
J. DE LABROQUERIE TACHÉ
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
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MEMORANDUM.

Much publicity has been given in the newspaper press and otherwise to the reports issued by what has become known as the "Whitley Committee", a body appointed by the British Government, and whose deliberations were presided over by The Right Hon. J. H. Whitley, a member of the British House of Commons, and from whom the Committee has taken its name.

The Minister of Labour of the United Kingdom had referred to the Committee the general question of relations between Employers and Employees, and methods which might seem to offer a prospect of improving the same. The interest in the reports of the Committee has extended to Canada with the result that there is a widespread demand for copies of the same.

By the direction, therefore, of the Minister of Labour of Canada the reports of the Whitley Committee have been here reprinted, together with certain suggestions of the British Minister of Labour.

DEPARTMENT OF LABOUR.

OTTAWA, April 10, 1919.

I

LETTER FROM MINISTER OF LABOUR TO EMPLOYERS' ASSOCIATIONS AND TRADE UNIONS.

MINISTRY OF LABOUR, MONTAGU HOUSE,
WHITEHALL, S.W. 1, 20th October, 1917.

SIR,—In July last a circular letter was addressed by the Ministry of Labour to all the principal Employers' Associations and Trade Unions asking for their views on the proposals made in the Report of the Whitley Committee on Joint Standing Industrial Councils, a further copy of which is enclosed. As a result of the replies which have been received from a large number of Employers' organizations and Trade Unions generally favouring the adoption of those proposals, the War Cabinet have decided to adopt the Report as part of the policy which they hope to see carried into effect in the field of industrial reconstruction.

In order that the precise effect of this decision may not be misunderstood, I desire to draw attention to one or two points which have been raised in the communications made to the Ministry on the subject, and on which some misapprehension appears to exist in some quarters.

In the first place, fears have been expressed that the proposal to set up Industrial Councils indicates an intention to introduce an element of State interference which has hitherto not existed in industry. This is not the case. The formation and constitution of the Councils must be principally the work of the industries themselves. Although, for reasons which will be explained later, the Government are very anxious that such Councils should be established in all the well-organized industries with as little delay as possible, they fully realize that the success of the scheme must depend upon a general agreement among the various organizations within a given industry and a clearly expressed demand for the creation of a Council. Moreover, when formed, the Councils would be independent bodies electing their own officers and free to determine their own functions and procedure with reference to the peculiar needs of each trade. In fact they would be autonomous bodies and they would in effect make possible a larger degree of self-government in industry than exists to-day.

Secondly, the Report has been interpreted as meaning that the general constitution which it suggests should be applied without modification to each industry. This is entirely contrary to the view of the Government on the matter. To any one with a knowledge of the diverse kinds of machinery already in operation, and the varying geographical and industrial conditions which affect different industries it will be obvious that no rigid scheme can be applied to all of them. Each industry must therefore adapt the proposals made in the Report as may seem most suitable to its own needs. In some industries, for instance, it may be considered by both employers and employed that a system of Works Committees is unnecessary owing to the perfection of the arrangements already in operation for dealing with the difficulties arising in particular works between the management and the trade union officials. In others, Works Committees have done very valuable work where they have been introduced and their extension on agreed lines deserves every encouragement. Again, in industries which are largely based on district organizations it will probably be found desirable to assign more important functions to the District Councils than would be the case in trades which are more completely centralized in national bodies. All these questions will have to be threshed out by the industries themselves and settled in harmony with their particular needs.

Thirdly, it should be made clear that representation on the Industrial Councils is intended to be on the basis of existing organizations among employers and workmen concerned in each industry, although it will, of course, be open to the Councils, when formed, to grant representation to any new bodies which may come into existence and which may be entitled to representation. The authority, and consequently the usefulness of the Councils will depend entirely on the extent to which they represent the different interests and enjoy the whole-hearted support of the existing organizations, and it is therefore desirable that representation should be determined on as broad a basis as possible.

Lastly, it has been suggested that the scheme is intended to promote compulsory arbitration. This is certainly not the case. Whatever agreements may be made for dealing with disputes must be left to the industry itself to frame, and their efficacy must depend upon the voluntary co-operation of the organizations concerned in carrying them out.

I should now like to explain some of the reasons which have made the Government anxious to see Industrial Councils established as soon as possible in the organized trades. The experience of the war has shown the need for frequent consultation between the Government and the chosen representatives of both employers and workmen on vital questions concerning those industries which have been most affected by war conditions. In some instances different Government Departments have approached different organizations in the same industry, and in many cases the absence of joint representative bodies which can speak for their industries as a whole and voice the joint opinion of employers and workmen, has been found to render negotiations much more difficult than they would otherwise have been. The case of the cotton trade, where the industry is being regulated during a very difficult time by a Joint Board of Control, indicates how greatly the task of the State can be alleviated by a self-governing body capable of taking charge of the interests of the whole industry. The problems of the period of transition and reconstruction will not be less difficult than those which the war has created, and the Government accordingly feel that the task of rebuilding the social and economic fabric on a broader and surer foundation will be rendered much easier if in the organized trades there exist representative bodies to which the various questions of difficulty can be referred for consideration and advice as they arise. There are a number of such questions on which the Government will need the united and considered opinion of each large industry, such as the demobilisation of the Forces, the re-settlement of munition workers in civil industries, apprenticeship (especially where interrupted by war service), the training and employment of disabled soldiers, and the control of raw materials; and the more it is able to avail itself of such an opinion the more satisfactory and stable the solution of these questions is likely to be.

Further, it will be necessary in the national interest to ensure a settlement of the more permanent questions which have caused differences between employers and employed in the past, on such a basis as to prevent the occurrence of disputes and of serious stoppages in the difficult period during which the problems just referred to will have to be solved. It is felt that this object can only be secured by the existence of permanent bodies on the lines suggested by the Whitley Report, which will be capable not merely of dealing with disputes when they arise, but of settling the big questions at issue so far as possible on such a basis as to prevent serious conflicts arising at all.

The above statement of the functions of the Councils is not intended to be exhaustive, but only to indicate some of the more immediate questions which they will be called upon to deal with when set up. Their general objects are described in the words of the Report as being "to offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous co-operation in the promotion of industry." Some further specific questions, which the Councils might consider,

were indicated by the Committee in paragraph 16 of the Report, and it will be for the Councils themselves to determine what matters they shall deal with. Further, such Councils would obviously be the suitable bodies to make representations to the Government as to legislation which they think would be of advantage to their industry.

In order, therefore, that the Councils may be able to fulfil the duties which they will be asked to undertake, and that they may have the requisite status for doing so, the Government desire it to be understood that the Councils will be recognized as the official standing Consultative Committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions with which the industry is concerned. It will be seen, therefore, that it is intended that Industrial Councils should play a definite and permanent part in the economic life of the country, and the Government feels that it can rely on both employers and workmen to co-operate in order to make that part a worthy one.

I hope therefore that you will take this letter as a formal request to your organization on the part of the Government to consider the question of carrying out the recommendations of the Report so far as they are applicable to your industry. The Ministry of Labour will be willing to give every assistance in its power in the establishment of Industrial Councils, and will be glad to receive suggestions as to the way in which it can be given most effectively. In particular, it will be ready to assist in the convening of representative conferences to discuss the establishment of Councils, to provide secretarial assistance and to be represented, if desired, in a consultative capacity at the preliminary meetings. The Ministry will be glad to be kept informed of any progress made in the direction of forming Councils. Although the scheme is only intended, and indeed can only be applied, in trades which are well organized on both sides, I would point out that it rests with those trades which do not at present possess a sufficient organization to bring it about if they desire to apply it to themselves.

In conclusion, I would again emphasize the pressing need for the representative organizations of employers and workpeople to come together in the organized trades and to prepare themselves for the problems of reconstruction by forming Councils competent to deal with them. The Government trust that they will approach these problems not as two opposing forces each bent on getting as much and giving as little as can be contrived, but as forces having a common interest in working together for the welfare of their industry, not merely for the sake of those concerned in it, but also for the sake of the nation which depends so largely on its industries for its well-being. If the spirit which has enabled all classes to overcome by willing co-operation the innumerable dangers and difficulties which have beset us during the war is applied to the problems of Reconstruction, I am convinced that they can be solved in a way which will lay the foundation of the future prosperity of the country and of those engaged in its great industries.

I am, sir, your obedient servant,

GEO. H. ROBERTS.

II

FIRST (INTERIM) REPORT ON JOINT STANDING INDUSTRIAL COUNCILS, WITH APPENDIX.

The Committee consisted of the following members:—

THE RIGHT HON. J. H. WHITLEY, M.P., *Chairman*. (Chairman of Committees, House of Commons.)

Mr. F. S. BUTTON (formerly Member of Executive Council, Amalgamated Society of Engineers).

Sir G. J. CARTER, K.B.E. (Chairman, Shipbuilding Employers' Federation).

Professor S. J. CHAPMAN, C.B.E. (Professor of Political Economy, University of Manchester).

Sir GILBERT CLAUGHTON, Bart. (Chairman, London and North Western Railway Company).

Mr. J. R. CLYNES, M.P. (President, National Union of General Workers).

Mr. J. A. HOBSON.

Miss SUSAN LAWRENCE (Member of London County Council and Member of the Executive Committee of the Women's Trade Union League).

Mr. J. J. MALLON (Secretary, National Anti-Sweating League).

Sir THOMAS A. RATLIFFE-ELLIS (Secretary, Mining Association of Great Britain).

Mr. ROBERT SMILLIE (President, Miners' Federation of Great Britain).

Mr. ALLAN M. SMITH (Chairman, Engineering Employers' Federation).

Miss MONA WILSON (National Health Insurance Commissioner).

Mr. H. J. WILSON, Ministry of Labour.

Mr. ARTHUR GREENWOOD,

Secretaries.

To the Right Honourable D. Lloyd George M.P., Prime Minister.

SIR,—We have the honour to submit the following Interim Report on Joint Standing Industrial Councils.

2. The terms of reference to the Sub-Committee are:—

“(1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

“(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.”

3. After a general consideration of our duties in relation to the matters referred to us, we decided first to address ourselves to the problem of establishing permanently improved relations between employers and employed in the main industries of the country, in which there exist representative organizations on both sides. The present report accordingly deals more especially with these trades. We are proceeding with the consideration of the problems connected with the industries which are less well organized.

4. We appreciate that under the pressure of the war both employers and workpeople and their organizations are very much pre-occupied, but, notwithstanding, we believe it to be of the highest importance that our proposals should be put before those concerned without delay, so that employers and employed may meet in the near future, and discuss the problems before them.

5. The circumstances of the present time are admitted on all sides to offer a great opportunity for securing a permanent improvement in the relations between employers and employed, while failure to utilize the opportunity may involve the nation in grave industrial difficulties at the end of the war.

It is generally allowed that the war almost enforced some reconstruction of industry, and in considering the subjects referred to us we have kept in view the need for securing in the development of reconstruction the largest possible measure of co-operation between employers and employed.

In the interests of the community it is vital that after the war the co-operation of all classes, established during the war, should continue, and more especially with regard to the relations between employers and employed. For securing improvement in the latter, it is essential that any proposals put forward should offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous co-operation in the promotion of industry.

To this end, the establishment for each industry of an organization, representative of employers and workpeople, to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community, appears to us necessary.

6. Many complicated problems have arisen during the war which have a bearing both on employers and workpeople, and may effect the relations between them. It is clear that industrial conditions will need careful handling if grave difficulties and strained relations are to be avoided after the war has ended. The precise nature of the problems to be faced naturally varies from industry to industry, and even from branch to branch within the same industry. Their treatment consequently will need an intimate knowledge of the facts and circumstances of each trade, and such knowledge is to be found only among those directly connected with the trade.

7. With a view to providing means for carrying out the policy outlined above, we recommend that His Majesty's Government should propose without delay to the various associations of employers and employed the formation of Joint Standing Industrial Councils in the several industries, where they do not already exist, composed of representatives of employers and employed, regard being paid to the various sections of the industry and the various classes of labour engaged.

8. The appointment of a Chairman or Chairmen should, we think, be left to the Council who may decide that these should be—

- (1) A Chairman for each side of the Council;
- (2) A Chairman and Vice-Chairman selected from the members of the Council (one from each side of the Council);
- (3) A Chairman chosen by the Council from independent persons outside the industry; or
- (4) A Chairman nominated by such person or authority as the Council may determine or, failing agreement, by the Government.

9. The Council should meet at regular and frequent intervals.

10. The objects to which the consideration of the Councils should be directed should be appropriate matters affecting the several industries and particularly the establishment of a closer co-operation between employers and employed. Questions connected with demobilisation will call for early attention.

11. One of the chief factors in the problem, as it at first presents itself, consists of the guarantees given by the Government, with Parliamentary sanction, and the various undertakings entered into by employers, to restore the Trade Union rules and customs suspended during the war. While this does not mean that all the lessons learnt during the war should be ignored, it does mean that the definite co-operation and acquiescence by both employers and employed must be a condition of any setting aside of these guarantees or undertakings, and that, if new arrangements are to be reached, in themselves more satisfactory to all parties but not in strict accordance with the guarantees, they must be the joint work of employers and employed.

12. The matters to be considered by the Councils must inevitably differ widely from industry to industry, as different circumstances and conditions call for different treatment, but we are of opinion that the suggestions set forth below ought to be taken into account, subject to such modification in each case as may serve to adapt them to the needs of the various industries.

13. In the well-organized industries, one of the first questions to be considered should be the establishment of local and works organizations to supplement and make more effective the work of the central bodies. It is not enough to secure co-operation at the centre between the national organizations; it is equally necessary to enlist the activity and support of employers and employed in the districts and in individual establishments. The National Industrial Council should not be regarded as complete in itself; what is needed is a triple organization—in the workshops, the districts, and nationally. Moreover, it is essential that the organization at each of these three stages should proceed on a common principle, and that the greatest measure of common action between them should be secured.

14. With this end in view, we are of opinion that the following proposals should be laid before the National Industrial Councils:—

(a) That District Councils, representative of the Trade Unions and of the Employers' Association in the industry, should be created, or developed out of the existing machinery for negotiation in the various trades.

(b) That Works Committees, representative of the management and of the workers employed, should be instituted in particular works to act in close co-operation with the district and national machinery.

As it is of the highest importance that the scheme making provision for these committees should be such as to secure the support of the Trades Unions and Employers' Associations concerned, its design should be a matter for agreement between these organizations.

Just as regular meetings and continuity of co-operation are essential in the case of the National Industrial Councils, so they seem to be necessary in the case of the district and works organizations. The object is to secure co-operation by granting to workpeople a greater share in the consideration of matters affecting their industry, and this can only be achieved by keeping employers and workpeople in constant touch.

15. The respective functions of Works Committees, District Councils and National Councils will no doubt require to be determined separately in accordance with the varying conditions of different industries. Care will need to be taken in each case to delimit accurately their respective functions, in order to avoid overlapping and resulting friction. For instance, where conditions of employment are determined by national agreements, the District Councils or Works Committees should not be allowed to contract out of conditions so laid down, nor, where conditions are determined by local agreements, should such power be allowed to Works Committees.

16. Among the questions with which it is suggested that the National Councils should deal or allocate to District Councils or Works Committees the following may be selected for special mention:

(i) The better utilization of the practical knowledge and experience of the workpeople.

(ii) Means for securing to the workpeople a greater share in and responsibility for the determination and observation of the conditions under which their work is carried on.

(iii) The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.

(iv) The establishment of regular methods of negotiating for issues arising between employers and work-people, with a view both to the prevention of differences, and to their better adjustment when they appear.

(v) Means of ensuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.

(vi) Methods of fixing and adjusting earnings, piecework prices, etc., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph iii.

(vii) Technical education and training.

(viii) Industrial research and the full utilization of its results.

(ix) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.

(x) Improvements of processes, machinery and organization and appropriate questions relating to management and the examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them.

(xi) Proposed legislation affecting the industry.

17. The methods by which the functions of the proposed Councils should be correlated to those of joint bodies in the different districts, and in the various works within the districts, must necessarily vary according to the trade. It may, therefore, be the best policy to leave it to the trades themselves to formulate schemes suitable to their special circumstances, it being understood that it is essential to secure in each industry the fullest measure of co-operation between employers and employed, both generally, through the National Councils, and specifically, through district Committees and workshop Committees:

18. It would seem advisable that the Government should put the proposals relating to National Industrial Councils before the employers' and workpeoples' associations and request them to adopt such measures as are needful for their establishment where they do not already exist. Suitable steps should also be taken, at the proper time, to put the matter before the general public.

19. In forwarding the proposals to the parties concerned, we think the Government should offer to be represented in an advisory capacity at the preliminary meetings of a Council, if the parties so desire. We are also of opinion that the Government should undertake to supply to the various Councils such information on industrial subjects as may be available and likely to prove of value.

20. It has been suggested that means must be devised to safeguard the interests of the community against possible action of an anti-social character on the part of the Councils. We have, however, here assumed that the Councils, in their work of promoting the interests of their own industries, will have regard for the National interest. If they fulfil their functions they will be the best builders of national prosperity. The State never parts with its inherent over-riding power, but such power may be least needed when least obtruded.

21. It appears to us that it may be desirable at some later stage for the State to give the sanction of law to agreements made by the Councils, but the initiative in this direction should come from the Councils themselves.

22. The plans sketched in the foregoing paragraphs are applicable in the form in which they are given only to industries in which there are responsible associations of employers and workpeople which can claim to be fairly representative. The case of the less well-organized trades or sections of a trade necessarily needs further consideration. We hope to be in a position shortly to put forward recommendations that will prepare the way for the active utilization in these trades of the same practical co-operation as is foreshadowed in the proposals made above for the more highly-organized trades.

23. It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organization on the part of both employers and workpeople. The proposals outlined for joint co-operation throughout the several industries depend for their ultimate success upon their being such organization on both sides; and such organization is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out.

24. We have thought it well to refrain from making suggestions or offering opinions with regard to such matters as profit-sharing, co-partnership, or particular systems of wages, etc. It would be impracticable for us to make any useful general recommendations on such matters, having regard to the varying conditions in different trades. We are convinced, moreover, that a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected.

25. The schemes recommended in this Report are intended not merely for the treatment of industrial problems when they have become acute, but also, and more especially, to prevent their becoming acute. We believe that regular meetings to discuss industrial questions, apart from and prior to any differences with regard to them that may have begun to cause friction, will materially reduce the number of occasions on which, in the view of either employers or employed, it is necessary to contemplate recourse to a stoppage of work.

26. We venture to hope that representative men in each industry, with pride in their calling and care for its place as a contributor to the national well-being will come together in the manner here suggested, and apply themselves to promoting industrial harmony and efficiency and removing the obstacles that have hitherto stood in the way.

We have the honour to be, sir, your obedient servants,

J. H. WHITLEY, *Chairman,*

and Committee.

8th March, 1917.

APPENDIX.

The following questions were addressed by the Reconstruction Committee to the Sub-Committee on the Relations between Employers and Employed in order to make clear certain points which appeared to call for further elucidation. The answers given are subjoined:—

Q. 1. In what classes of Industries does the Interim Report propose that Industrial Councils shall be established? What basis of classification has the Sub-Committee in view?

A. 1. It has been suggested that, for the purpose of considering the establishment of Industrial Councils, or other bodies designed to assist in the improvement of relations between employers and employed, the various industries should be grouped into three classes—(a) industries in which organisation on the part of employers and employed is sufficiently developed to render the Councils representative; (b) industries in which either as regards employers and employed, or both, the degree of organisation, though considerable is less marked than in (a) and is insufficient to be regarded as representative; and (c) industries in which organisation is so imperfect, either as regards employers or employed, or both, that no Associations can be said adequately to represent those engaged in the trade.

It will be clear that an analysis of industries will show a number which are on the border lines between these groups, and special consideration will have to be given to such trades. So far as groups (a) and (c) are concerned, a fairly large number of trades can readily be assigned to them; group (b) is necessarily more indeterminate.

For trades in group (a) the Committee have proposed the establishment of Joint Standing Industrial Councils in the several trades. In dealing with the various industries it may be necessary to consider specially the case of parts of industries in group (a) where organisation is not fully developed.

Q. 2. Is the machinery proposed intended to be in addition to or in substitution for existing machinery? Is it proposed that existing machinery should be superseded? By "existing machinery" is meant Conciliation Boards and all other organisations for joint conference and discussion between Employers and Employed.

A. 2. In most organised trades there already exist joint bodies for particular purposes. It is not proposed that the Industrial Councils should necessarily disturb these existing bodies. A Council would be free, if it choose and if the bodies concerned approved, to merge existing Committees, &c., in the Council or to link them with the Council as Sub-Committees.

Q. 3. Is it understood that membership of the Councils is to be confined to representatives elected by Employers' Associations and Trade Unions? What is the view of the Sub-Committee regarding the entry of new organisations established after the Councils have been set up?

A. 3. It is intended that the Councils should be composed only of representatives of Trade Unions and Employers' Associations, and that new organisations should be admitted only with the approval of the particular side of the Council of which the organisation would form a part.

Q. 4. (a)—Is it intended that decisions reached by the Councils shall be binding upon the bodies comprising them? If so, is such binding effect to be conditional upon the consent of each Employers' Association or Trade Union affected?

A. 4. (a) It is contemplated that agreements reached by Industrial Councils should (whilst not, of course, possessing the binding force of law) carry with them the same obligation of observance as exists in the case of other agreements between Employers' Associations and Trade Unions. A Council, being on its workmen's side based on the Trade Unions concerned in the industry, its powers or authority could only be such as the constituent Trade Unions freely agreed to.

Q. 4. (b) *In particular, is it intended that all pledges given either by the Government or employers for the restoration of Trade Union rules and practices after the war shall be redeemed without qualification unless the particular Trade Union concerned agrees to alterations; or, on the contrary, that the Industrial Council shall have power to decide such question by a majority vote of the workmen's representatives from all the Trade Unions in the industry?*

A. 4. (b) It is clearly intended that all pledges relating to the restoration of Trade Union rules shall be redeemed without qualification unless the particular Trade Union concerned agrees to alteration; and it is not intended that the Council shall have power to decide such questions by a majority vote of the workmen's representatives from all the Trade Unions in the industry.

III

SECOND REPORT OF JOINT STANDING INDUSTRIAL COUNCILS.

To the Right Honourable D. Lloyd George, M.P., Prime Minister.

SIR,—Following the proposals made in our first Report, we have now the honour to present further recommendations dealing with industries in which organization on the part of employers and employed is less completely established than in the industries covered by the previous Report, and with industries in which such organization is weak or non-existent.

2. Before commencing the examination of these industries the Committee came to the conclusion that it would materially assist their enquiries if they could have the direct advantage of the knowledge and experience of some representative employers who were connected with industries of the kind with which the Committee were about to deal; and it was arranged, with your approval, that Sir Maurice Levy, Mr. F. N. Hepworth, Mr. W. Hill, and Mr. D. R. H. Williams should be appointed to act with the Committee while these industries were under consideration. This arrangement made it possible to release from attendance at the earlier meetings of the Committee Sir Gilbert Claughton, Sir T. Ratcliffe-Ellis, Sir George J. Carter, and Mr. Allan Smith, whose time is greatly occupied in other public work and whose experience is more particularly related to the organized trades covered by our former Report.

3. It is difficult to classify industries according to the degree of organization among employers and employed, but for convenience of consideration the industries of the country may be divided into three groups:—

Group A.—Consisting of industries in which organization on the part of employers and employed is sufficiently developed to render their respective associations representative of the great majority of those engaged in the industry. These are the industries which we had in mind in our first Interim Report.

Group B.—Comprising those industries in which, either as regards employers and employed, or both, the degree of organization, though considerable, is less marked than in Group A.

Group C.—Consisting of industries in which organization is so imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the industry.

The present report is concerned with Groups B. and C.

4. So far as Groups A. and C. are concerned, a number of industries can be definitely assigned to them. Group B., however, is necessarily more indeterminate. Some of the industries in this group approach closely to industries in Group A., while others verge upon Group C. Further, most industries, in whatever class they

may fall, possess a "tail," consisting of badly organized areas, or sections of the industry. These facts we have borne in mind in formulating our further proposals.

5. So far as industries in Group B. are concerned, we are of opinion that the proposals of our first report should, in their main lines, be applied to those which, on examination by the Ministry of Labour in consultation with the associations concerned, are found to be relatively well organized. We suggest, however, that where in these industries a National Industrial Council is formed there should be appointed one or at most two official representatives to assist in the initiation of the Council, and continue after its establishment to act in an advisory capacity and serve as a link with the Government. We do not contemplate that a representative so appointed should be a member of the National Industrial Council, in the sense that he should have power, by a vote, to influence the decisions of the Council, but that he should attend its meetings and assist in any way which may be found acceptable to it. By so doing he would acquire a continuous knowledge of the conditions of the industry of which the Government could avail itself, and so avoid many mistakes that under present conditions are inevitable.

The question of the retention of the official representatives should be considered by the Councils in the light of experience gained when an adequate time has elapsed. We anticipate that in many cases their continued assistance will be found by value even after an industry has attained a high degree of organization, but in no case should they remain except at the express wish of the Councils concerned.

6. It may be that in some Group B. industries in which a National Industrial Council is formed certain areas are well suited to the establishment of District Councils, while in other areas the organization of employers or employed, or both, is too weak to be deemed representative. There appears to be no good reason why in the former areas there should not be District Industrial Councils, acting in conjunction with the National Industrial Councils, in accordance with the principles formulated in the Committee's earlier report on the well-organized trades.

7. An examination of some of the industries coming within Group B. may show that there are some which, owing to the peculiarities of the trades and their geographical distribution, cannot at present be brought readily within the scope of the proposals for a National Industrial Council, though they may be quite well organized in two or more separate districts. In such a case we think there might well be formed one or more District Industrial Councils. We anticipate that in course of time the influence of the District Councils would be such that the industry would become suitable for the establishment of a National Industrial Council.

8. In the case of industries in Group B. (as in the industries covered by our first report), we consider that the members of the National Councils and of the District Councils should be representatives of the Employers' Associations and Trade Unions concerned. In the formation of the Councils, regard should be paid to the various sections of the industry and the various classes of labour engaged, and the representatives should include representatives of women's organizations. In view of the extent to which women are employed in these industries, we think the Trade Unions, when selecting their representatives for the Councils, should include a number of women among those who are appointed to be members.

9. It does not appear to us necessary or desirable to suggest any fixed standard of organization which should exist in any industry before a National Industrial Council should be established. The case of each industry will need to be considered separately, regard being paid to its particular circumstances and characteristics.

In the discussion of this matter, we have considered whether it would be feasible to indicate a percentage of organization which should be reached before a Council is formed, but, in view of the great diversity of circumstances in these industries and of the differing degrees to which the several sections of some of them are organized, we have come to the conclusion that it is more desirable to leave the matter to the decision of the Ministry of Labour, and the organizations concerned. Whatever theoretical

standard may be contemplated, we think its application should not be restrictive in either direction.

10. The level of organization in industries in Group C. is such as to make the scheme we have proposed for National or District Industrial Councils inapplicable. To these industries the machinery of the Trade Boards Act might well be applied, pending the development of such degree of organization as would render feasible the establishment of a National Council or District Councils.

11. The Trade Boards Act was originally intended to secure the establishment of a minimum standard of wages in certain unorganized industries, but we consider that the Trade Boards should be regarded also as a means of supplying a regular machinery for negotiation and decision on certain groups of questions dealt with in other circumstances by collective bargaining between employers' organizations and trade unions.

In order that the Trade Boards Act may be of greater utility in connection with unorganized and badly organized industries or sections of industries, we consider that certain modifications are needed to enlarge the functions of the Trade Boards. We suggest that they should be empowered to deal not only with minimum rates of wages, but with hours of labour and questions cognate to wages and hours. We are of opinion also that the functions of the Trade Boards should be extended so as to enable them to initiate and conduct inquiries on all matters affecting the industry or the section of the industry concerned.

12. If these proposals were adopted there would be set up, in a number of industries or sections of industries, Trade Boards (consisting of representatives of employers and employed, together with "appointed members") who would, within the scope of their functions, establish minimum standard rates and conditions applicable to the industry or section of the industry which they represented, and consider systematically matters affecting the well-being of the industry.

13. Where an industry in Group C. becomes sufficiently organized to admit of the institution of National and District Councils, we consider that these bodies should be set up on the lines already indicated. Where it appears to a Trade Board that an Industrial Council should be appointed in the industry concerned, they should have power (a) to make application to the Minister of Labour asking him to approach the organizations of employers and employed, and (b) to suggest a scheme by which the representation of the workers' and employers' sides of the Trade Board could be secured.

14. Whether in industries in Group C. the establishment of Works Committees is to be recommended is a question which calls for very careful examination, and we have made the general question of Works Committees the subject of a separate report.

15. We have already pointed out that most of the industries in Groups A. and B. have sections or areas in which the degree of organization among the employers and employed falls much below what is normal in the rest of the industry; and it appears to us desirable that the general body of employers and employed in any industry should have some means whereby they may bring the whole of the trade up to the standard of minimum conditions which have been agreed upon by a substantial majority of the industry. We therefore recommend that, on the application of a National Industrial Council sufficiently representative of an industry, the Minister of Labour should be empowered, if satisfied that the case is a suitable one, to make an Order either instituting for a section of the industry a Trade Board on which the National Industrial Council should be represented, or constituting the Industrial Council a Trade Board under the provisions of the Trade Boards Act. These proposals are not intended to limit, but to be in addition to, the powers at present held by the Ministry of Labour with regard to the establishment of Trade Boards in trades and industries where they are considered by the Ministry to be necessary.

16. We have already indicated (paragraph 9) that the circumstances and characteristics of each of the several industries will need to be considered before it can be decided definitely how far any of our proposals can be applied in particular instances,

and we have refrained from attempting to suggest any exact degree of organization which would be requisite before a particular proposal could be applied. We think, however, that the suggestion we have made in the preceding paragraph to confer upon a National Industrial Council the powers of a Trade Board should be adopted only in those cases in which the Minister of Labour is satisfied that the Council represents a substantial majority of the industry concerned.

17. We are of opinion that most of the chief industries of the country could be brought under one or other of the schemes contained in this and the preceding Report. There would then be broadly two classes of industries in the country—industries with Industrial Councils and industries with Trade Boards.

18. In the former group the National Industrial Councils would be constituted either in the manner we have indicated in our first Report, carrying with them District Councils and Works Committees, or on the lines suggested in the present Report, *i. e.*, each Council coming within the scope of this Report having associated with it one, or two, official representatives to act in advisory capacity and as a link with the Government, in addition to the representatives of the employers and employed.

19. It should be noted that in the case of industries in which there is a National Industrial Council, Trade Boards might, in some instances, be associated with the Council in order to determine wages and hours, etc., in certain sections or areas. It is possible that in some allied trades, really forming part of the same industry, both sets of proposals might, in the first instance, be in operation side by side, one trade having its Industrial Council and the other its Trade Board. Where these circumstances obtain, we anticipate that the Trade Board would be a stepping stone to the full Industrial Council status.

20. It may be useful to present a brief outline of the proposals which we have so far put forward:—

(a) In the more highly organized industries (Group A.) we propose a triple organization of national, district, and workshop bodies, as outlined in our first report.

(b) In industries where there are representative associations of employers and employed, which, however, do not possess the authority of those in Group A. industries, we propose that the triple organization should be modified by attaching to each National Industrial Council one or at most two representatives of the Ministry of Labour to act in an advisory capacity.

(c) In industries in both Groups A. and B., we propose that unorganized areas or branches of an industry should be provided, on the application of the National Industrial Council and with the approval of the Ministry of Labour, with Trade Boards for such areas or branches, the Trade Boards being linked with the Industrial Council.

(d) In industries having no adequate organization of employers or employed, we recommend that Trade Boards should be continued or established, and that these should, with the approval of the Ministry of Labour, be enabled to formulate a scheme for an Industrial Council, which might include in an advisory capacity the "appointed members" of the Trade Board.

21. It will be observed that the policy we recommend is based upon organization on the part of both employers and employed. Where this is adequate, as in Group A. industries, there is no need of external assistance. In Group B. industries, we think that the organizations concerned would be glad to have the services of an official representative who would act as adviser and as a link with the Government. In unorganized sections of both groups of industries we believe that a larger measure of Government assistance will be both desirable and acceptable, and we have therefore suggested the adoption of the machinery of the Trade Boards Act in this connection. In Group C. industries we think that organization will be encouraged by the use of the powers under the Trade Boards Act, and where National Industrial Councils are

set up we recommend that the "appointed members" of the Trade Board should act on the Councils in an advisory capacity. Briefly, our proposals are that the extent of State assistance should vary inversely with the degree of organization in industries.

22. We do not, however, regard Government assistance as an alternative to the organization of employers and employed. On the contrary, we regard it as a means of furthering the growth and development of such organization.

23. We think it advisable in this connection to repeat the following paragraph from our former Report:—

"It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organization on the part of both employers and workpeople. The proposals outlined for joint co-operation throughout the several industries depend for their ultimate success upon there being such organization on both sides; and such organization is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out."

24. In considering the scope of the matters referred to us we have formed the opinion that the expression "employers and workmen" in our reference covers State and Municipal authorities and persons employed by them. Accordingly we recommend that such authorities and their workpeople should take into consideration the proposals made in this and in our first Report, with a view to determining how far such proposals can suitably be adopted in their case.

We understand that the Ministry of Labour has up to the present circulated our first Report only to employers' and workpeople's associations in the ordinary private industries. We think, however, that both it and the present Report should also be brought to the notice of State Departments and Municipal Authorities employing labour.

25. The proposals we have set forth above do not require legislation except on three points, namely, to provide—

(1) That the Trade Boards shall have power, in addition to determining minimum rates of wages, to deal with hours of labour and questions cognate to wages and hours.

(2) That the Trade Boards shall have power to initiate inquiries, and make proposals to the Government departments concerned, on matters affecting the industrial conditions of the trade, as well as on questions of general interest to the industries concerned respectively.

(3) That when an Industrial Council sufficiently representative of an industry makes application, the Minister of Labour shall have power, if satisfied that the case is a suitable one, to make an Order instituting for a section of the industry a Trade Board on which the Industrial Council shall be represented, or constituting the Council a Trade Board under the Trade Boards Act.

26. The proposals which we have made must necessarily be adapted to meet the varying needs and circumstances of different industries, and it is not anticipated that there will be uniformity in practice. Our recommendations are intended merely to set forth the main lines of development which we believe to be essential to ensure better relations between employers and employed. Their application to the several industries we can safely leave to those intimately concerned, with the conviction that the flexibility and adaptability of industrial organization which have been so large a factor in enabling industry to stand the enormous strain of the war will not fail the country when peace returns.

27. Other problems affecting the relations between employers and employed are engaging our attention, but we believe that, whatever further steps may be necessary to accomplish the object we have in view, the lines of development suggested in the

present report and the one which preceded it are fundamental. We believe that in each industry there is a sufficiently large body of opinion willing to adopt the proposals we have made as a means of establishing a new relation in industry.

We have the honour to be, sir, your obedient servants,

J. H. WHITLEY, *Chairman,*
and Committee.

18th October, 1917.

IV

THIRD OR SUPPLEMENTARY REPORT ON WORKS COMMITTEES.

In our first and second reports we have referred to the establishment of works committee, representative of the management and of the workpeople, and appointed from within the works, as an essential part of the scheme of organization suggested to secure improved relations between employers and employed. The purpose of the present report is to deal more fully with the proposal to institute such committees.

2. Better relations between employers and their workpeople can best be arrived at by granting to the latter a greater share in the consideration of matters with which they are concerned. In every industry there are certain questions, such as rates of wages and hours of work, which should be settled by district or national agreement, and with any matter so settled no works committee should be allowed to interfere; but there are also many questions closely affecting daily life and comfort in, and the success of, the business, and affecting in no small degree efficiency of working, which are peculiar to the individual workshop or factory. The purpose of a works committee is to establish and maintain a system of co-operation in all these workshop matters.

3. We have throughout our recommendations proceeded upon the assumption that the greatest success is likely to be achieved by leaving to the representative bodies of employers and employed in each industry the maximum degree of freedom to settle for themselves the precise form of council or committee which should be adopted, having regard in each case to the particular circumstances of the trade; and, in accordance with this principle, we refrain from indicating any definite form of constitution for the works committees. Our proposals as a whole assume the existence of organizations of both employers and employed and a frank and full recognition of such organizations. Works committees established otherwise than in accordance with these principles could not be regarded as a part of the scheme we have recommended, and might indeed be a hindrance to the development of the new relations in industry to which we look forward. We think the aim should be the complete and coherent organization of the trade on both sides, and works committees will be of value in so far as they contribute to such a result.

4. We are of the opinion that the complete success of works committees necessarily depends largely upon the degree and efficiency of organization in the trade, and upon the extent to which the committees can be linked up, through organizations that we have in mind, with the remainder of the scheme which we are proposing, viz., the district and national councils. We think it important to state that the success of the works committees would be very seriously interfered with if the idea existed that such committees were used, or likely to be used, by employers in opposition to trade-unionism. It is strongly felt that the setting up of works committees without the co-operation of the trade unions and the employers' associations in the trade or branch of trade concerned would stand in the way of the improved industrial relationships which in these reports we are endeavouring to further.

5. In an industry where the workpeople are unorganized, or only very partially organized, there is a danger that works committees may be used, or thought to be used,

in opposition to trade-unionism. It is important that such fears should be guarded against in the initiation of any scheme. We look upon successful works committees as the board base of the industrial structure which we have recommended, and as the means of enlisting the interest of the workers in the success both of the industry to which they are attached and of the workshop or factory where so much of their life is spent. These committees should not, in constitution or methods or working, discourage trade organizations.

6. Works committees, in our opinion, should have regular meetings at fixed times, and, as a general rule, not less frequently than once a fortnight. They should always keep in the forefront the idea of constructive co-operation in the improvement of the industry to which they belong. Suggestions of all kinds tending to improvement should be frankly welcomed and freely discussed. Practical proposals should be examined from all points of view. There is an undeveloped asset of constructive ability—valuable alike to the industry and to the State—awaiting the means of realization; problems, old and new, will find their solution in a frank partnership of knowledge, experience and good will. Works committees would fail in their main purpose if they existed only to smooth over grievances.

7. We recognize that, from time to time, matters will arise which the management or the workmen consider to be questions they can not discuss in these joint meetings. When this occurs, we anticipate that nothing but good will come from the friendly statement of the reasons why the reservation is made.

8. We regard the successful development and utilization of works committees in any business on the basis recommended in this report as of equal importance with its commercial and scientific efficiency; and we think that in every case one of the partners or directors, or some other responsible representative of the management, would be well advised to devote a substantial part of his time and thought to the good working and development of such a committee.

9. There has been some experience, both before the War and during the War, of the benefits of works committees, and we think it should be recommended most strongly to employers and employed that, in connection with the scheme for the establishment of national and district industrial councils, they should examine this experience with a view to the institution of works committees on proper lines, in works where the conditions render their formation practicable. We have recommended that the Ministry of Labour should prepare a summary of the experience available with reference to works committees, both before and during the War, including information as to any rules or reports relating to such committees, and should issue a memorandum thereon for the guidance of employers and workpeople generally, and we understand that such a memorandum is now in course of preparation.

10. In order to insure uniform and common principles of action, it is essential that where national and district industrial councils exist the works committees should be in close touch with them, and the scheme for linking up works committees with the councils should be considered and determined by the national councils.

11. We have considered it better not to attempt to indicate any specific form of works committees. Industrial establishments show such infinite variation in size, number of persons employed, multiplicity of departments, and other conditions, that the particular form of works committees must necessarily be adapted to the circumstances of each case. It would, therefore, be impossible to formulate any satisfactory scheme which does not provide a large measure of elasticity.

We are confident that the nature of the particular organization necessary for the various cases will be settled without difficulty by the exercise of good will on both sides.

We have the honour to be, sir, your obedient servants,

J. H. WHITLEY, *Chairman.*

and Committee.

V

REPORT ON CONCILIATION AND ARBITRATION.

We believe that the recommendations made in our earlier reports for the establishment of industrial councils will provide facilities for full and free discussion of matters affecting the several industries and so improve the relations between employers and employed. We have thought it necessary, however, to give some attention to the cases in which the parties may desire voluntarily to refer some difference that has arisen to arbitration or conciliation. But it must be understood that we do not intend to express any views on the extent to which disputes can be equitably or satisfactorily settled in this way. As regards arbitration, our sole concern in this report is with the question of the machinery to be provided when it is the expressed wish of both parties, for any reason, to have recourse to it.

2. We are opposed to any system of compulsory arbitration; there is no reason to believe that such a system is generally desired by employers and employed, and, in the absence of such general acceptance, it is obvious that its imposition would lead to unrest. The experience of compulsory arbitration during the war has shown that it is not a successful method of avoiding strikes, and in normal times it would undoubtedly prove even less successful. Disputes can only be avoided by agreement between employers and workers and by giving to the latter the greater measure of interest in the industry advocated in our former reports; but agreement may naturally include the decision of both parties to refer any specified matter or matters to arbitration, whether this decision is reached before or after a dispute arises.

3. For the same reason we do not recommend any scheme relating to conciliation which compulsorily prevents strikes or lockouts pending inquiry. But it is obviously possible and desirable that in some instances arrangements should be voluntarily made in organized trades for holding an inquiry before recourse to extreme measures, and we suggest that the Ministry of Labour should be authorized to hold a full inquiry when satisfied that it was desirable, without prejudice to the power of the disputing parties to declare a strike or lockout before or during the progress of the inquiry.

4. It is important that it should be clearly understood that we do not contemplate the imposition of an elaborate system of conciliation and arbitration upon industry, in place of the present well-recognized voluntary conciliation and arbitration machinery which exists in so many of the important trades of the country. On the contrary, we desire to emphasize the advisability of a continuance, as far as possible, of the present system whereby industries make their own agreements and settle their differences themselves.

5. The extent to which machinery for the conciliatory adjustment of disputes exists in the important trades of this country is one of the most marked features of its industrial organization, and the valuable work that has been done by the numerous conciliation and arbitration boards in the past has rendered it possible for the State to remain very much in the background. There seems no reason to suppose that after the War these boards will not continue to work effectively, and it may be (especially in so far as they may become merged in or correlated with the joint industrial councils, whose establishment the committee have recommended) that they will achieve an even larger degree of success in securing the settlement of points that may arise between employers and employed, when regular joint meetings, apart from any disputes, have been established, and their benefit experienced.

6. It is desirable, however, to consider the part that should be taken by the State in the event of those directly concerned in industry being unable to adjust their differences themselves. The interest of the community may require that there should be an unbiased and independent examination of the facts and circumstances connected

with any dispute between employers and employed. On this point the committee have had under consideration the Canadian Industrial Disputes Investigation Act, and the report on the working of that Act made by Sir George Askwith. They have also had under consideration the recommendations contained in the report of the industrial council.

The committee indorse the view that there should be means by which an independent inquiry may be made into the facts and circumstances of a dispute and an authoritative pronouncement made thereon, although this does not carry with it any compulsory power of delaying strikes or lockouts.

7. Section 2 (1) (a) of the Conciliation Act, 1896, empowers the Ministry of Labour to cause an inquiry to be held into the facts and circumstances of dispute. Presumably the existing act empowers the Ministry of Labour to publish reports made as a result of inquiries of this character, but, if not, the necessary power should be obtained, so that there may be immediate publication, for the information of those affected by the dispute and of the public generally, of an independent and authoritative account of the matters in difference.

The question whether these powers should be exercised in respect of particular cases is one which must be left to the discretion of the Government department concerned.

8. Arbitration being recognized as an appropriate method whereby the parties to industrial differences may voluntarily seek to have those differences adjusted, it is necessary to consider what form of arbitration tribunals are calculated to command the confidence of those who may appeal to them. Under the Conciliation Act the usual form of arbitration tribunal was the "single arbitrator," an independent person appointed by the Board of Trade sitting as sole judge except in cases where the points in dispute necessitated the assistance of technical assessors. Courts of arbitration (an employer's representative, a workman's representative, and an independent chairman) were established in 1908, but comparatively few cases are referred to this form of tribunal.

9. Under the Munitions of War Act, in addition to single arbitrators and courts of arbitration, two other forms of tribunal were established—the committee on production and the special arbitration tribunal for women's wages. The committee on production consisted of three independent persons appointed by the Government and the majority of the disputes referred to arbitration during the War other than those affecting the wages of women on munitions work have been settled by that tribunal. Its personnel has recently been changed and it is now constituted on lines similar to a court of arbitration, except that its members hold continuous office and are not appointed ad hoc. The special arbitration tribunal for women's wages consists of an independent chairman and members chosen either for their official experience or their special knowledge of the interests of employers and workpeople, respectively.

10. As arbitrations affecting the same trade or section of trades may recur, there are advantages to both employers and workpeople in knowing that the tribunal to which they submit any differences which they may have failed themselves to settle is one to which previous differences have been submitted, and which therefore has become to some extent familiar with the conditions of the trade.

11. For these reasons it would appear desirable that there should be a standing arbitration council on the lines of the present temporary committee on production to which differences of general principles and differences affecting whole industries or large sections of industries may be referred in cases where the parties have failed to come to an agreement through their ordinary procedure and wish to refer the differences to arbitration.

Such tribunal should include in its membership persons who have practical experience and knowledge of industry, and who are acquainted with the respective standpoints of employers and workpeople.

12. There are, however, certain administrative difficulties connected with the utilization of tribunals of three or more persons, particularly where the parties desire

that their case should be heard locally, and where the matter is one of relatively small importance, and it is desirable that suitable persons should be available to act as single arbitrators where the parties agree to submit their case to a single arbitrator. Persons possessing experience of industrial conditions and acquainted with industrial and work-shop life, including representatives of labour, would seem the most likely to command the respect and confidence of the parties. It will be obvious that the efficiency of an arbitrator, provided that he possess the right personal qualifications, increases with practice and the study of the conditions with which he has to deal.

13. The question whether, and if so, by what means, awards of single arbitrators should be co-ordinated with the more general awards of the standing arbitration council is one of considerable difficulty, as there are important reasons why the several awards should not conflict.

The experience which has been gained of the various forms of arbitration tribunals suggests that there are great advantages to all parties in facilitating co-ordination of decisions. Conflicting decisions given by different tribunals are bound to cause dissatisfaction to one or other party. With the object of avoiding such conflict as much as possible it is of paramount importance that the department charged with the appointment of arbitrators should be in a position to insure that the several arbitrators should have opportunities of interchanging views and experiences. The means to insure reasonable co-ordination should be provided through the secretariat of the standing arbitration council. The awards and decisions of that council would be circulated among the single arbitrators who would thus be kept in touch with the more general and comprehensive cases.

14. In order that there might be the requisite differentiation between questions of general importance or principle and questions of comparatively less importance, the department responsible for referring cases of arbitration should pass all cases to the secretariat of the standing arbitration council. The secretariat should include a highly trained staff with experience of industry and knowledge of arbitration work so that proper differentiation would be made between the various cases and, subject to the concurrence of the parties, the several cases referred to the form of tribunal most competent to deal with them to the satisfaction of those concerned.

15. The question whether awards and agreements should be made enforceable by means of monetary or other penalties was examined exhaustively by the industrial council in an inquiry commenced in 1912, and the committee concur generally in the views expressed in the report made by the council in 1913 to the effect that, while it is to the interests of both employers and workpeople and the community generally that industrial agreements should be duly fulfilled, in the long run this object is more likely to be secured by an increased regard for moral obligation, respect for an instructed public opinion, and reliance on the principles of mutual consent rather than by the establishment of a system of monetary penalties.

16. Our conclusions, therefore, are that (a) whilst we are opposed to any system of compulsory arbitration, we are in favour of an extension of voluntary machinery for the adjustment of disputes. Where the parties are unable to adjust their differences we think that there should be means by which an independent inquiry may be made into the facts and circumstances of a dispute, and an authoritative pronouncement made thereon, though we do not think that there should be any compulsory power of delaying strikes and lockouts; (b) we further recommend that there should be established a standing arbitration council for cases where the parties wish to refer any dispute to arbitration, though it is desirable that suitable single arbitrators should be available where the parties so desire.

We have the honour to be, sir, your obedient servants,

J. H. WHITLEY, *Chairman.*

and Committee.

VI

**MEMORANDUM OF THE MINISTERS OF LABOUR AND RECONSTRUCTION
ON INDUSTRIAL COUNCILS AND TRADE BOARDS.**

1. The proposals contained in the First Report on Joint Standing Industrial Councils of the Committee on Relations between Employers and Employed have been adopted by the Government. The steps which have been taken to establish Industrial Councils have enabled the Government to consider the proposals of the Second Report on Joint Standing Industrial Councils in the light of experience. This Report, which deals with industries other than those which are highly organized, follows naturally upon the First Report of the Committee, and develops the line of policy therein proposed. It has not been found possible from the administrative point of view to adopt the whole of the recommendations contained in the Second Report, but such modifications as it seems desirable to make do not affect the principles underlying the Committee's proposal for the establishment of Joint Industrial Councils. They are designed to take advantage of the administrative experience of the Ministry of Labour with regard to both Industrial Councils and Trade Boards. In view of the growing interest which is being taken in the establishment of Industrial Councils and of the proposed extension of Trade Boards, it appears desirable to set forth the modifications which the Government regard as necessary in putting into operation the recommendations of the Second Report, and also to make clear the relations between Trade Boards and Industrial Councils.

2. The First Report on Joint Standing Industrial Councils referred only to the well-organized industries. The Second Report deals with the less organized and unorganized trades, and suggests the classification of the industries of the country into three groups:—

“Group A.—Consisting of industries in which organization on the part of employers and employed is sufficiently developed to render their respective associations representative of the great majority of those engaged in the industry. These are the industries which we had in mind in our first Interim Report.

“Group B.—Comprising those industries in which, either as regards employers and employed, or both, the degree of organization, though considerable, is less marked than in Group A.

“Group C.—Consisting of industries in which organization is so imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the industry.”

The proposals of the Committee on Relations between Employers and Employed are summarized in paragraph 20 of their Second Report as follows:—

“(a) In the more highly organized industries (Group A.) we propose a triple organization of national, district and workshop bodies, as outlined in our First Report.

“(b) In industries where there are representative associations of employers and employed, which, however, do not possess the authority of those in Group A. industries we propose that the triple organization should be modified, by attaching to each National Industrial Council one or at most two representatives of the Ministry of Labour to act in an advisory capacity.

“(c) In industries in both Groups A. and B., we propose that unorganized areas or branches of an industry should be provided, on the application of the National Industrial Council, and with the approval of the Ministry of Labour, with Trade Boards for such areas or branches, the Trade Boards being linked with the Industrial Council.

"(d) In industries having no adequate organization of employers or employed, we recommend that Trade Boards should be continued or established, and that these should, with the approval of the Ministry of Labour, be enabled to formulate a scheme for an Industrial Council, which might include, in an advisory capacity, the 'appointed members' of the Trade Board."

It may be convenient to set out briefly the modifications of the above proposals which it has been found necessary to make.

- (1) As regards (b) it has been decided to recognise one type of Industrial Council only, and not to attach official representatives to the Council, except on the application of the Industrial Council itself.
- (2) As regards (c) and (d) the relations between Trade Boards and Industrial Councils raise a number of serious administrative difficulties due to the wide differences in the purpose and structure of the two types of bodies. It is not regarded as advisable that a Trade Board should formulate a scheme for an Industrial Council, nor is it probable that Trade Boards for unorganized areas will be set up in conjunction with a Joint Industrial Council.

3. It is necessary at the outset to emphasize the fundamental differences between Industrial Councils and Trade Boards. A Joint Industrial Council is voluntary in its character and can only be brought into existence with the agreement of the organizations of employers and workpeople in the particular industry, and the Council itself is composed exclusively of persons nominated by the Employers' Associations and Trade Unions concerned. The Industrial Council is, moreover, within very wide limits, able to determine its own functions, machinery and methods of working. Its functions in almost all cases will probably cover a wide range and will be concerned with many matters other than wages. Its machinery and methods will be based upon past experience of the industry and the existing organization of both employers and employed. Industrial Councils will, therefore, vary in structure and functions as can be seen from the provisional constitutions already submitted to the Ministry of Labour. Financially they will be self-supporting, and will receive no monetary aid from the Government. The Government proposes to recognize the Industrial Council in an industry as the representative organization to which it can refer. This was made clear in the Minister of Labour's circular letter of October 20, 1917, in which it is said that "the Government desire it to be understood that the Councils will be recognized as the official standing consultative committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions in which the industry is concerned."

A Trade Board, on the other hand, is a statutory body established by the Minister of Labour and constituted in accordance with Regulations made by him in pursuance of the Trade Board Act; and its expenses, in so far as authorised by the Minister of Labour and sanctioned by the Treasury, are defrayed out of public money. The Regulations may provide for the election of the representatives of employers and workers or for their nomination by the Minister of Labour, but in either case provision must be made for the due representation of homeworkers in trades in which a considerable proportion of homeworkers are engaged. On account of the comparative lack of organization in the trades to which the Act at present applies, the method of nomination by the Minister has proved in practice to be preferable to that of election, and in nearly all cases the representative members of Trades Boards are now nominated by the Minister. The Employers' Associations and Trade Unions in the several trades are invited to submit the names of candidates for the Minister's consideration, and full weight is attached to their recommendation, but where the trade organizations do not fully represent all sections of the trade, it is necessary to look outside them to find representatives of the different processes and districts affected.

A further distinction between Trade Boards and Industrial Councils is, that while Industrial Councils are composed entirely of representatives of the Employers' Associations and Trade Unions in the industry, every Trade Board includes, in addition to the representative members, a small number (usually three) of "appointed members", one of whom is appointed by the Minister to act as Chairman and one as Deputy Chairman of the Board. The appointed members are unconnected with the trade and are appointed by the Minister as impartial persons. The primary function of a Trade Board is the determination of minimum rates of wages, and when the minimum rates of wages fixed by a Trade Board have been confirmed by the Minister of Labour, they are enforceable by criminal proceedings, and officers are appointed to secure their observance. The minimum rates thus become part of the law of the land, and are enforced in the same manner as, for example, the provisions of the Factory Acts. The purpose, structure, and functions of Industrial Councils and Trade Boards are therefore fundamentally different. Their respective areas of operation are also determined by different considerations. An Industrial Council will exercise direct influence only over the organisations represented upon it. It will comprise those employers' associations with common interests and common problems; similarly its trade union side will be composed of representatives of organizations whose interests are directly interdependent. An Industrial Council therefore is representative of organizations whose objects and interests, while not identical, are sufficiently interlocked to render common action desirable. The various organizations represent the interests of employers and workers engaged in the production of a particular commodity or service (or an allied group of commodities or services).

A Trade Board, on the other hand, is not based on existing organizations of employers and employed, but covers the whole of the trade for which it is established. As the minimum rates are enforceable by law, it is necessary that the boundaries of the trade should be precisely defined; this is done, within the limits prescribed by statute, by the Regulations made by the Minister of Labour. Natural divisions of industry are, of course, followed as far as possible, but in many cases the line of demarcation must necessarily be somewhat arbitrary. In the case of Industrial Councils difficult demarcation problems also arise, but the considerations involved are somewhat different, as the object is to determine whether the interests represented by given organizations are sufficiently allied to justify the co-operation of these organizations in one Industrial Council.

4. The report received from those who are engaged in assisting the formation of Joint Industrial Councils show that certain paragraphs in the Second Report of the Committee on Relations between Employers and Employed have caused some confusion as to the character and scope of Joint Industrial Councils and Trade Boards respectively. It is essential to the future development of Joint Industrial Councils that their distinctive aim and character should be maintained. It is necessary therefore to keep clearly in mind the respective functions of the Joint Industrial Council and the Trade Board, in considering the recommendations contained in the following paragraphs of the Second Report:—

- (a) Paragraphs 3, 4 and 5, dealing with the division of Joint Industrial Councils into those that cover Group A. industries, and those that cover Group B. industries.
- (b) Paragraph 7, dealing with district industrial Councils in industries where no National Council exists.
- (c) Paragraphs 10, 13, 15 and 16, dealing with Trade Boards in relation to Joint Industrial Councils.
- (d) Paragraphs 11 and 12, dealing with Trade Boards in industries which are not suitably organized for the establishment of a Joint Industrial Council.

5. *Distinction drawn between Joint Industrial Councils in Group A. Industries and Group B. Industries.*—In paragraph 9 of the Second Report it is implied that the

Ministry of Labour would determine whether the standard of organization in any given industry has reached such a stage as to justify the official recognition of a Joint Industrial Council in that industry. It is clear, however, that it would be impossible for the Ministry to discover any satisfactory basis for distinguishing between an industry which falls into Group A., and one which falls into Group B. It is admitted in paragraph 9 of the Second Report, that no arbitrary standard of organization could be adopted, and it would be both invidious and impracticable for the Ministry of Labour, upon whom the responsibility would fall, to draw a distinction between A and B industries. The only clear distinction is between industries which are sufficiently organized to justify the formation of a Joint Industrial Council, and those which are not sufficiently organized. Individual cases must be judged on their merits after a consideration of the scope and effectiveness of the organization, the complexity of the industry and the wishes of those concerned.

The experience already gained in connection with Joint Industrial Councils indicates that it would be inadvisable in the case of industries in Group B to adopt the proposal that "there should be appointed one or at most two official representatives to assist in the initiation of the Council and continue after its establishment to act in an advisory capacity and serve as a link with the Government." It is fundamental to the idea of a Joint Industrial Council that it is a voluntary body set up by the industry itself, acting as an independent body and entirely free from all State control. Whilst the Minister of Labour would be willing to give every assistance to Industrial Councils, he would prefer that any suggestion of this kind should come from the industry, rather than from the Ministry.

The main idea of the Joint Industrial Council as a Joint Body representative of an industry and independent of State control has now become familiar, and the introduction of a second type of Joint Industrial Council for B industries would be likely to cause confusion and possibly to prejudice the future growth of Joint Industrial Councils.

In view of these circumstances, therefore, it has been decided to adopt a single type of Industrial Council.

6. District Industrial Councils.—Paragraph 7 of the Second Report suggests that in certain industries in which a National Industrial Council is not likely to be formed, in the immediate future, it might none the less be possible to form one or more "District" Industrial Councils.

In certain cases the formation of joint bodies covering a limited area is probable. It would, however, avoid confusion if the term "District" were not part of the title of such councils, and if the use of it were confined to District Councils in an industry where a National Council exists. Independent local Councils might well have a territorial designation instead.

7. Trade Boards in Relation to Joint Industrial Councils.—The distinction between Trade Boards and Joint Industrial Councils has been set forth in paragraph 3 above. The question whether an Industrial Council should be formed for a given industry depends on the degree of organization achieved by the employers and workers in the industry, whereas the question whether a Trade Board should be established depends primarily on the rates of wages prevailing in the industry or in any part of the industry. This distinction makes it clear that the question whether a Trade Board should or should not be set up by the Minister of Labour for a given industry, must be decided apart from the question whether a Joint Industrial Council should or should not be recognized in that industry by the Minister of Labour.

It follows from this that it is possible that both a Joint Industrial Council and a Trade Board may be necessary within the same industry.

In highly organized industries, the rates of wages prevailing will not, as a rule, be so low as to necessitate the establishment of a Trade Board. In some cases, however, a well-defined section of an otherwise well-organized industry or group of industries may be unorganized and ill-paid; in such a case it would clearly be desirable for

a Trade Board to be established for the ill-paid section, while there should at the same time be an Industrial Council for the remaining sections, or even for the whole, of the industry or industrial group.

In the case of other industries sufficiently organized to justify the establishment of an Industrial Council, the organizations represented on the Council may nevertheless not be comprehensive enough to regulate wages effectively throughout the industry. In such cases a Trade Board for the whole industry may possibly be needed.

Where a Trade Board covers either the whole or part of an industry covered by a Joint Industrial Council, the relations between them may, in order to avoid any confusion or misunderstanding, be defined as follows:—

(1) Where Government Departments wish to consult the industry, the Joint Industrial Council, and not the Trade Board, will be recognized as the body to be consulted.

(2) In order to make use of the experience of the Trade Board, the constitution of the Industrial Council should be so drawn as to make full provision for consultation between the Council and the Trade Board on matters referred to the former by a Government Department, and to allow of the representation of the Trade Board on any Sub-Committee of the Council dealing with questions with which the Trade Board is concerned.

(3) The Joint Industrial Council clearly cannot under any circumstances over-ride the statutory powers conferred upon the Trade Board, and if the Government at any future time adopted the suggestion contained in Section 21 of the First Report that the sanction of law should be given on the application of an Industrial Council to agreements made by the Council, such agreements could not be made binding on any part of a trade governed by a Trade Board so far as the statutory powers of the Trade Board are concerned.

The Minister of Labour will not ordinarily set up a Trade Board to deal with an industry or branch of an industry, in which the majority of employers and work-people are covered by wage agreements, but in which a minority, possibly in certain areas, are outside the agreement. It would appear that the proposal in Section 21 of the First Report was specially designed to meet such cases. Experience has shown that there are great difficulties in the way of establishing a Trade Board for one area only in which an industry is carried on, without covering the whole of a Trade, though the Trade Boards Act allows of this procedure.

8. Trade Boards in industries which are not sufficiently organized for the establishment of a Joint Industrial Council.—Section 3 of the Trade Boards Act, 1909, provides that “a Trade Board for any trade shall consider, as occasion requires, any matter referred to them by a Secretary of State, the Board of Trade, or any other Government Department, with reference to the industrial conditions of the trade, and shall make a report upon the matter to the department by whom the question has been referred.”

In the case of an industry in which a Trade Board has been established, but an Industrial Council has not been formed, the Trade Board is the only body that can claim to be representative of the industry as a whole.

It is already under a statutory obligation to consider questions referred to it by a Government Department; and where there is a Trade Board but no Industrial Council in an industry it will be suggested to Government Departments that they should consult the Trade Board as occasion requires in the same manner as they would consult Industrial Councils.

On the other hand, for the reasons which have been fully set out above, Industrial Councils must be kept distinct from Trade Boards, and the latter, owing to their constitution, cannot be converted into the former. If an industry in which a Trade Board is established becomes sufficiently organized for the formation of an Industrial Council, the Council would have to be formed on quite different lines from

the Trade Board, and the initiative should come, not from the Trade Board, which is a body mainly nominated by the Minister of Labour, but from the organizations in the industry. Hence it would not be desirable that Trade Boards should undertake the formation of schemes for Industrial Councils.

Ministry of Reconstruction,
2, Queen Anne's Gate Buildings,
Westminster, S.W.
7th June, 1918.

VII

FINAL REPORT.

To the Rt. Hon. D. Lloyd George, M.P., Prime Minister:

SIR,—The committee was appointed by the Prime Minister in October, 1916, with the following terms of reference:

- (1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.
- (2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

This reference might be held to invite us to recommend in detail schemes applicable to varied industries. From this we have refrained, in the belief that it is wiser to indicate a ground plan only, and invite the persons actually engaged in the several industries to build the fabric suited to their own conditions.

2. We have presented four reports. In our first report on Joint Industrial Councils we recommend the establishment for each of the principal well-organized industries of a triple form of organization, representative of employers and employed, consisting of Joint Industrial Councils, Joint District Councils, and Works Committees, each of the three forms of organization being linked up with the others so as to constitute an organization covering the whole of the trade, capable of considering and advising upon matters affecting the welfare of the industry, and giving to labour a definite and enlarged share in the discussion and settlement of industrial matters with which employers and employed are jointly concerned.

3. In our second report on Joint Industrial Councils we proposed for trades where organization is at present very weak or non-existent an adaptation and expansion of the system of Trade Boards working under an amended Trade Boards Act; and for trades in which organization is considerable, but not yet general, a system of Joint Councils with some Government assistance which may be dispensed with as these industries advance to the stage dealt with in our first report.

In the second report we proposed also a plan whereby the Joint Council of an industry when it has agreed upon a minimum standard of working conditions for those employed in the industry may have the means of making those conditions general in any district or over the whole country.

Taking our first and second reports together they constitute a scheme designed to cover all the chief industries of the country and to equip each of them with a representative joint body capable of dealing with matters affecting the welfare of the industry in which employers and employed are concerned, and of caring for the progressive improvement of the industry as an integral part of the national prosperity.

4. We have considered it no less important that in each factory or workshop, where the circumstances of the industry permit, and when the conditions which we have stated are fulfilled, there should be a Works Committee, representative of the management and the men and women employed, meeting regularly to consider questions peculiar to the individual factory or workshop, which affect the daily life and comfort of the workers and in no small degree the efficiency of the work, and in which practical experience will bring a valuable contribution to the improvement of methods. This question was the subject of our third report.

5. We wish to reaffirm our conviction, expressed in the first report, of the urgency of the matter. In our opinion there is pressing need that every organized industry should equip itself with a representative machinery capable of dealing with the large questions of common interest to employers and employed arising in war time, during demobilization and in the period after the war. Further, we believe that when the Joint Councils have gained confidence and experience in dealing with the urgent problems of the moment they will find their sphere of usefulness to be much wider than they themselves imagined at their first inception.

Similarly, Works Committees, beginning perhaps with limited functions, will, we anticipate, without in any way trenching upon matters appropriate to the Industrial Councils find a continual growth in the list of questions appertaining to the individual factory or workshop that can be dealt with by mutual agreement. We have purposely refrained, throughout our Reports, from making proposals in detail with regard to the constitution of the Councils and Committees or the scope of their functions because we are convinced that this can only be done satisfactorily by the people engaged in an industry and familiar with all its circumstances.

We note with satisfaction that, following the approval of our first Report by the War Cabinet, the Ministry of Labour has established a special Department to give assistance and information where it may be desired, and to collect and codify the results of the activities and experience of the Councils that have been formed or are coming into existence.

6. In our fourth Report we have made recommendations on Conciliation and Arbitration. Relying in the main on the methods built up by agreement within the various industries, and looking to an expansion and improvement of these methods resulting from the habit of dealing with common questions in Joint Council, we have limited our new proposals to the establishment of a small Standing Arbitration Council, on the lines of the present Committee on Production, to deal with cases where the parties have failed to come to an agreement under their ordinary procedure and wish to refer their differences to this Council.

In this connection we have made suggestions designed to minimize the occurrence of conflicting awards and to secure an interchange of knowledge and experience between persons called upon to act as Arbitrators.

7. On the question of the adoption of schemes of Profit-sharing and Co-partnership, we have considered the evidence at present available and have felt bound to come to the conclusion that it does not justify us in putting forward any general recommendations.

8. Our recommendations have the effect of conferring upon the Joint Industrial Councils, and through them upon the several industries, a large measure of self-government. Many of the subjects which might perhaps have been suggested as forming objects of enquiry by the present Committee are matters which, in our opinion, can more usefully and profitably be considered by the Joint organizations, composed as they are of those actually concerned in the various trades. Moreover, since our Committee was constituted two new Departments of State have been set up, viz., the Ministry of Labour and the Ministry of Reconstruction.

The functions of these Departments and the activities of the various Advisory Committees which they have established will necessarily include the consideration of the relations between employers and employed and of the problems connected there-

with, and the Departments will no doubt be better able (through and with the assistance of the Industrial Councils which we have recommended) to offer such advice and guidance as may be found necessary than the present Committee.

It is clear, therefore, that if we were to undertake further enquiries there would be a considerable amount of overlapping either with the work that is now being carried on by the Central Departments or with the duties and functions of the Industrial Councils.

For these reasons we beg to be allowed to present this as our Final Report.

9. Throughout our work we have received most valuable assistance from our Secretaries, Mr. H. J. Wilson and Mr. Arthur Greenwood, and we wish to record our gratitude to them for the services they have rendered.

We have the honour to be, sir, your obedient servants,

J. H. WHITLEY (Chairman)

and Committee.

July 1st, 1918.

VIII

SUGGESTIONS AS TO THE CONSTITUTION AND FUNCTIONS OF JOINT INDUSTRIAL COUNCILS.

(a) National Joint Industrial Councils.

The Whitley Report on Joint Standing Industrial Councils, in discussing the constitution and functions of such Councils, recommended that it should be left to the trades themselves to constitute schemes suitable to their special circumstances. The object of the following memorandum is not to lay down any hard and fast rules as to the constitution and functions of an Industrial Council, but to put forward certain suggestions which may serve as a basis for discussion and help in concentrating attention upon some outstanding points in the relations of employers and workpeople which must be taken into consideration in the actual formation of a Council. Many of the clauses which follow are drawn from constitutions already drafted. To certain of these clauses variants, also drawn from constitutions of Councils already established, have been added in different type.

At 31st December, 1918, Joint Industrial Councils had been established for the following industries:—

Bobbin and Shuttle Making.	Match Manufacture.
Bread Baking and Flour Confectionery.	Metallic Bedsteads.
Building.	Paint, Colour and Varnish.
China Clay.	Pottery.
Furniture.	Rubber Manufacture.
Gold, Silver, Horological and Allied Trade.	Saw Milling.
Heavy Chemicals.	Silk.
Hosiery (English and Scottish Councils).	Vehicle Building.
Made-up Leather Goods.	Wool (and Allied) Textile.
	Woollen and Worsted (Scottish Council).

(A) FUNCTIONS OF A JOINT INDUSTRIAL COUNCIL.

1. To secure the largest possible measure of joint action between employers and workpeople for the development of the industry as a part of national life and for the improvement of the conditions of all engaged in that industry.

It will be open to the Council to take any action that falls within the scope of this general definition. Among its more specific objects will be the following.

N.B.—It is not possible and it is not the intention of the Minister to suggest any hard and fast policy as to what should constitute the functions of an Industrial Council. This is a question which the employers and workpeople in each industry must settle for themselves in their preliminary conferences in the light of their special needs and conditions.

(a) The advancement of the industry and of all connected with it in its productive interest. (Paint, Colour and Varnish Industry.)

(b) To secure the largest possible measure of joint action between employers and workpeople for the safe-guarding and development of the industry as a part of national life and for the general improvement of conditions in the industry with a view to promoting the best interests of all employers and workers engaged therein. (Bobbin and Shuttle Making Industry.)

(c) The advancement of the industry and of all connected therewith by the association in its government of all engaged in the industry as a whole, (Vehicle Building Industry.)

(d) To promote the development of the industry and to secure that wages, methods of production, and conditions of employment shall be systematically reviewed and decisions agreed upon which shall have as their object the improvement of the relations between employers and employees. (Wood and Allied Textile.)

2. Regular consideration of wages, hours and working conditions in the industry as a whole.

N.B.—In some cases a Joint Industrial Council will contain representatives of a number of trades which have been accustomed in the past to deal with such questions as wages, hours, &c., through their already existing organizations. To meet such cases the following clause has been inserted in one of the draft constitutions: "Provided that where any such matters have in the past been dealt with separately by any Organization, such matters shall not be dealt with by the Council as far as that Organization is concerned without the consent of the representatives of that Organization."

(a) The consideration of wages, hours and working conditions in the industry as a whole, including the consideration of the establishment and maintenance of standard national and local rates and conditions for all classes of workers throughout the industry. (Bobbin and Shuttle Making Industry.)

(b) The regular consideration of wages, hours and working conditions in the industry, with a view to establishing and maintaining such conditions as shall be equitable as between employer and employed. Provided always that the various sub-sections of the trade and industry shall be considered separately, with due regard to their respective peculiar conditions. (Paint, Colour and Varnish Industry.)

(c) Consider wages, hours, and working conditions in the industry as a whole, and the fixing of standard rates of wages for similar occupations in the industry. It shall also consider the employment of scientific and agreed methods of fixing wages, and of adjusting wages to new conditions, and the securing to the employee a share in any increased prosperity of the industry. (Wool and Allied Textile.)

3. The consideration of measures for regularising production and employment.

(a) The consideration of measures for securing maximum production and regular employment. (Rubber Manufacturing Industry.)

(b) The adjustment of production so as to obtain the maximum economic output while minimising the disadvantages of seasonal occupation. (Gold, Silver, Horological and Allied Trades.)

(c) The consideration of means whereby the greatest possible security and continuity of employment shall be ensured to the employees. (China Clay Industry.)

(d) The regularization of production and employment as a means of ensuring to the workpeople the greatest possible security of earnings. (Pottery Industry.)

4. The consideration of the existing machinery for the settlement of differences between different parties and sections in the industry, and the establishment of machinery for this purpose where it does not already exist, with the object of securing the speedy settlement of difficulties.

(a) The consideration of differences that may have arisen within local Associations or existing Conciliation Boards which cannot be settled locally. No strike, lock-out or arbitration shall take place in the locality concerned until the matter has been considered by the National Joint Industrial Council. (Made-up Leather Goods Industries).

(b) The consideration of means for securing the speedy settlement of disputes between different parties in the industry, which it may not have been possible to settle by negotiation between the parties concerned. (Paint, Colour and Varnish Industry).

5. The consideration of measures for securing the inclusion of all employers and workpeople in their respective associations.

(a) The consideration of means whereby all manufacturers and operatives shall be encouraged to come within their respective Associations. (Silk Industry).

(b) The consideration and adoption of measures for securing the inclusion of all employers and operatives in their respective organizations, and for securing the loyal observance by them of collective agreements. (Rubber Manufacturing Industry).

6. The collection of statistics and information on matters appertaining to the industry.

(a) The regular consideration of, and the compilation of, available statistics as to wages, working costs, fluctuations in the cost of materials and customs tariffs, and the study and promotion of scientific and practical systems of account keeping. (Silk Industry).

7. The encouragement of the study of processes and design and of research, with a view to perfecting products of the industry.

(a) The encouragement of the study of processes and design and of research with a view to perfecting the products of the industry, and the promotion of a high standard of efficiency. (Hosiery Trade).

(b) The encouragement of study and research with a view to the improvement and perfection of the quality of the product, and of machinery and methods for economical manufacture in all branches of the industry. (Match Manufacturing Industry).

(c) The study of processes, the encouragement of research, and the full utilization of their results. (Paint, Colour and Varnish Industry).

8. The provision of facilities for the full consideration and utilization of inventions and any improvement in machinery or method, and for the adequate safeguarding of the rights of the designers of such improvements, and to secure that such improvement in method or invention shall give to each party an equitable share of the benefits financially or otherwise arising therefrom.

(a) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople and for the adequate safeguarding of the rights of the designers of such improvements. (Paint, Colour and Varnish Industry).

(b) The consideration of the question of technical improvements made by workpeople and the establishment of a special committee consisting of Chairman

and Vice-Chairman for the time being of the Council as arbitrators in cases in which an employer and workman are unable to come to an agreement as to the proper reward for such an improvement. (Hosiery Trade).

(c) The adequate safeguarding of the rights of operatives inventing or designing improvements. (Rubber Manufacturing Industry).

(d) Consider the best means of securing the highest efficiency of the industry including any improvement in machinery, invention or method by which the prosperity of the industry is to be increased; secure that such invention or improvement in method shall give to each party a fair distribution of the benefits derived from the increased efficiency; utilize to the fullest extent the practical knowledge and experience of the workpeople and secure that such knowledge may receive consideration. (Wool and Allied Textile).

9. Inquiries into special problems of the industry, including the comparative study of the organization and methods of the industry in this and other countries, and, where, desirable, the publication of reports. The arrangement of lectures and the holding of conferences on subjects of general interest to the industry.

(a) The preparation and consideration of statistics and reports relating to the industry throughout the world, and the effect on the industry of Customs and Excise duties. (Match Manufacturing Industry.)

10. The improvement of the health conditions obtaining in the industry, and the provision of special treatment where necessary for workers in the industry.

(a) The improvement of conditions with a view to removing danger to health and risks of accidents in the industry. (Bread Baking and Flour Confectionery Industry.)

(b) Secure to the workman a greater share in and responsibility for the determination and observance of the conditions under which he works, in so far as it relates to his material comfort and well-being; make efforts for the decasualisation and permanent security of employment, having regard to the conditions surrounding changes of occupation between one employer and another; consider means towards the improvement in conditions with a view to removing the danger to health in the industry, and towards providing special treatment where necessary for employees in the industry. (Wool and Allied Textile.)

11. The supervision of entry into, and training for, the industry and co-operation with the educational authorities in arranging education in all its branches for the industry.

12. The issue to the Press of authoritative statements upon matters affecting the industry of general interest to the community.

13. Representation of the needs and opinions of the industry to the Government, Government Departments and other authorities.

(a) The establishment and maintenance of such relations with the Government and Government Departments as shall ensure the industry is consulted before the introduction of legislative or administrative measures which affect or may affect the industry. (China Clay Industry.)

(b) Representation of the needs and opinions of the industry to Government authorities, central and local, and to the community generally. (Pottery Industry.)

(c) The representation of the needs and opinions of the industries to the Government or Government Departments and local Authorities, provided that any section of the Council which may desire to do so, shall have the power to present a Minority Report when deemed advisable. (Made-up Leather Goods Industries.)

14. The consideration of any other matters that may be referred to it by the Government or any Government Department.

(a) The consideration of such matters as may be referred to the Council by the Government, Government Departments or other authorities. (Match Manufacturing Industry.)

15. The consideration of the proposals for District Councils and Works Committees, put forward in the Whitley Report, having regard in each case to any such organizations as may already be in existence.

(a) The establishment of such District Councils and Works Committees as may be considered necessary, whose functions shall be defined by the Joint Industrial Council. (Paint, Colour and Varnish Industry.)

(b) The formation of such District Councils and Works Committees as may be considered desirable on the lines suggested in the Whitley Report, and the consideration of proposals and resolutions submitted by such Councils and Committees from time to time. (Match Manufacturing Industry.)

16. Co-operation with the Joint Industrial Councils for other industries to deal with problems of common interest.

(a) The Council shall seek to establish, as occasion and necessity shall arise, Joint Standing Committees with Industrial Councils established in other industries, the decisions of which may prejudice or be prejudiced by the decisions of the Council, or may prejudice the interests of the Wool (and Allied) Textile Trade. (Wool and Allied Textile.)

(b) THE CONSTITUTION OF A JOINT INDUSTRIAL COUNCIL.

1. MEMBERSHIP.

The Council shall consist of members, appointed as to one half by Associations of Employers and as to the other half by Trade Unions.

Associations of Employers.	No. of Representatives.
----------------------------	-------------------------

(1)	_____
(2)	_____
(3)	_____
&c.	_____

Total	_____
-----------------	-------

Trade Unions.

(1)	_____
(2)	_____
(3)	_____
&c.	_____

Total	_____
-----------------	-------

(a) New Associations may only be admitted to membership of the Joint Industrial Council with the approval of the particular side of the Council of which the Association would form a part. (Made-up Leather Goods Industries.)

(b) Provided that at any time after the expiration of six months from the date of the first meeting of the Council, on the demand of any of the constituent Associations on either side, a General Meeting of the Council shall be called to consider and if approved to redistribute the nominations amongst the various constituent bodies, provided that one side can call only for a revision of its own representatives. (Silk Industry.)

(c) The Council to have the power to co-opt Honorary Members with the right to attend meetings or serve on committees of the Council, and to speak but not to vote. (Pottery Industry.)

(d) Representatives of any new organization associated with the industry and accepted by the Council shall be entitled to admission to the Council with a corresponding redistribution of the voting power. (Gold, Silver, Horological and Allied Trades.)

(e) Membership of the Council and of District Councils and *Trade Committees which may be established under the authority of the Council, shall consist of representatives of affiliated Associations of Employers and Associations of Employees, whose members are engaged in the Wool (and Allied) Textile Trade, in any part or process from the raw material to the finished piece.

The members of the Council and of the District Councils and *Trade Committees shall be appointed by their respective affiliated organizations, and shall consist in equal numbers of Employers and Employees. (Wool and Allied Textile.)

(f) An affiliated Association shall be an Association or Federation of Associations of Employers or Employees whose members are engaged in the Wool (and Allied) Textile Trade in any part or process from the raw material to the finished piece, and whose application for membership in writing signifying its assent to the objects of the Council is accepted by the Council.

The Associations represented at the meeting at which these rules are adopted, and assenting through their representatives thereto, shall forthwith become affiliated Associations. (Wool and Allied Textile.)

2. RE-APPOINTMENT.

The representatives of the said Associations and Unions shall retire annually, and shall be eligible for re-appointment by their respective Associations and Unions. Casual vacancies shall be filled by the Association concerned, which shall appoint a member to sit until the end of the current year.

(a) One-third of the representatives of the said Associations and Unions shall retire annually, the order of retirement to be determined by lot at an early meeting of the Council. They shall be eligible for re-election by their respective Associations. When an accredited representative of any Association or Union cannot attend a meeting of the Council a deputy may be sent by his Association in his place. (Furniture Trade.)

(b) The representatives first appointed shall serve for two years from the date of the first meeting; thereafter eight representatives from each side of the Council shall retire annually, and shall be eligible for re-appointment by their respective Associations and Unions. Casual vacancies shall be filled by the Association concerned, which shall appoint a member to sit until the end of the current year. (Vehicle Building Industry.)

(c) One-third of the representatives of the said Associations and Unions shall retire annually, and shall be eligible for re-appointment. Members of the Council shall retire at the end of the first and second year in an order to be determined by lot, and thereafter on the expiration of three years membership. (Rubber Manufacturing Industry.)

*This is the only Constitution which specifically includes Trade Committees.

3. COMMITTEES.

The Council may delegate special powers to any Committee it appoints.

The Council shall appoint an Executive Committee and may appoint such other Standing or Sectional Committees as may be necessary. It shall also have the power to appoint other Committees for special purposes. The Reports of all Committees shall be submitted to the Council for confirmation except where special powers have been delegated to a Committee. The Council shall have the power to appoint on Committees, other than the Executive Committee, such persons not being members of the Council as may serve the special purposes of the Council.

(a) The Council may delegate special powers to any Committee it appoints.

The Council shall appoint an Executive Committee and Standing Committees representative of the different needs of the industry. It shall also have power to appoint other Committees for special purposes and to co-opt such persons of special knowledge, not being members of the Council, as may serve the special purpose of these Committees. On all Committees both Employers and Operatives shall be equally represented. The minutes of all Committees shall be submitted to the National Council for confirmation. Each Committee shall appoint its own Chairman and Vice-Chairman, except in the case of the Finance Committee, over which Committee the Chairman of the National Council shall preside. (Pottery Industry.)

(b) The Council may appoint an Executive Committee and such other Standing Committees or Special Committees as may be necessary. Their reports shall be submitted to the Council for confirmation. The Council may also appoint Sectional Committees for definitely recognized sections of the trade. When any matter that affects only one particular section of the trade comes up for consideration, it shall be referred to the Sectional Committee and dealt with by it, and shall not come back to the Joint Industrial Council for confirmation, but any such decision shall be reported to the next meeting of the Council. (Gold, Silver, Horological and Allied Trades.)

(c) The Council shall appoint an Executive Committee, who shall appoint an Emergency Committee and such other Committees as may be necessary, but so always that employers and workpeople shall be equally represented on such Committee or Committees. The Committees so appointed shall have such powers and conform to such regulations as may be determined by the Council. (Paint, Colour and Varnish Industry.)

(d) (i) The Council may delegate special powers to any Committee which it appoints. The Council shall appoint an Executive Committee, and such other provisional Committees for special purposes as may be necessary. It shall also have the power to appoint other Committees for special purposes.

(ii) The Reports of all Committees shall be submitted to the Council for confirmation (*see* (iii) below), except where special powers have been delegated to a Committee, in which case, the Report shall be laid before the Council at its next meeting for purposes of information only.

(iii) All matters exclusively concerning any one of the three sections of the Council shall be referred to a Committee consisting only of representatives of that particular section, with power to decide, and any decision arrived at by such a Sectional Committee shall be reported to the Council for information. (Made-up Leather Goods Industries.)

4. CO-OPTED MEMBERS.

The Council may allow Committees other than the Executive Committee to co-opt such persons of special knowledge not being members of the Council as may serve the special purposes of the Council.

N.B.—This clause is designed to give power to a Committee to add to its numbers by co-opting representatives of scientific, technical and commercial Associations, and other persons of special knowledge.

(a) The Council shall have power to co-opt, by a unanimous vote of the Council, representatives of Government departments and other persons having special knowledge and experience which may be of value to the Council, but such co-opted members shall attend only in a consultative capacity. (Match Manufacturing Industry.)

5. OFFICERS.

CHAIRMAN AND VICE-CHAIRMAN.

In most of the Constitutions it is laid down that there shall be a Chairman and a Vice-Chairman. When the Chairman is a member drawn from the employers, the Vice-Chairman shall be a member drawn from the Trade Unionists, and *vice-versa*. The Chairman or, in his absence, the Vice-Chairman shall preside at the meetings, and shall have a vote, but not a casting vote.

In some Constitutions, provision is made for two Chairmen, one from each side, who shall preside at alternate meetings.

A few Constitutions give power to the Council to appoint an independent Chairman, temporary or otherwise.

TREASURERS.

The Council shall appoint a Treasurer or Treasurers.

SECRETARIAT.

The Council shall be empowered to maintain a Secretary or Secretaries, and such clerical staff as it may think fit.

All Honorary Officers shall be elected by the Council for a term of one year, but shall be eligible for re-election.

6. MEETINGS OF THE COUNCIL.

The ordinary meetings of the Council shall be held as often as necessary and not less than once a quarter. The meeting in the month of _____ shall be the annual meeting. A special meeting of the Council shall be called within _____ days of the receipt of a requisition from _____ members of the Council or from the Executive Committee. The matters to be discussed at such meetings shall be stated upon the notice summoning the meeting.

7. VOTING.

The voting both in Council and in Committees shall be by show of hands or otherwise as the Council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of the members present on each side of the Council.

(a) The voting upon all questions shall be by show of hands, and two-thirds majority of those present and voting shall be required to carry a resolution. Provided that, when at any meeting the representatives of the Unions and the Associations respectively are unequal in numbers, all members present shall have the right to enter fully into discussion of any matters, but only an equal number of each of such representatives (to be decided amongst them) shall vote. (Pottery Industry.)

(b) The decision of the Council to be binding must be carried by a majority of votes of those present and in the event of the attendance on either side being unequal, a unanimous vote of the numerically weaker party shall be considered equal in number to the unanimous vote of the stronger side, and the result shall be a tie; but should there be any cross voting, the decision shall be given in favour of the side securing a majority of such cross votes. The Chairman shall have one vote only as a member of the Council and shall not be entitled to give a casting vote. (Bobbin and Shuttle Making Industry.)

(c) Voting shall be by show of hands, unless any ten per cent of the members present demand a vote by ballot, in which case a ballot vote shall be taken. No resolution shall be declared carried unless there is a majority of votes cast in its favour by each side. Before a ballot is taken it shall be optional for either side to call for adjournment of the question to be voted upon. (Wool and Allied Textile.)

8. QUORUM.

The quorum shall be members on each side of the Council.

9. FINANCE.

The administrative expenses of the Council shall be met in equal proportions by the Associations and Trade Unions represented.

(a) The expenses of the Council shall be met by the two sides of the Council in equal proportions. (Rubber Manufacturing Industry.)

(b) The expenses of the Council shall be met by equal contributions from the Employers' Associations and Trade Unions represented on the Council. The amount of the contributions and the manner of their application shall be determined by the Council. (Paint, Colour and Varnish Industry.)

(c) Each Association of Employers and each Trade Union represented on the Council shall be responsible for the expenses of their members attending meetings of the Council, but all other expenses of the Council shall be met by the two sides of the Council in equal proportion. (Bobbin and Shuttle Making Industry.)

(d) The ordinary expenses of the Council shall be met by a levy upon the Manufacturers' Associations and the Trade Unions represented. Special expenditure shall be provided for by the Finance Committee. (Pottery Industry.)

(e) The expenses of the Council, unless otherwise provided for, shall be met by a levy upon the Employers' Associations and the Operatives' Trade Unions, in equal proportion. This is not to include the ordinary travelling expenses of members of the Council. (Bread Baking and Flour Confectionery Industry.)

(f) The expenses of the Council shall be met equally by the Associations of Employers and Trade Unions represented unless otherwise determined. The contributions shall be paid in proportion to the number of representatives of the various Associations and Trade Unions. (Silk Industry.)

10. AMENDMENT OF CONSTITUTION.

The Council shall have power from time to time to amend or add to the above Constitution in such way as it may think fit.

(a) No change shall be made in the Constitution of the Council, except at a meeting specially convened for the purpose. (Hosiery Trade.)

(b) The rules of the Council shall be amended at the Annual General Meeting of the Council only or at an Extraordinary General Meeting called for the purpose. No amendment of the rules shall be made except after notice given and circulated on the agenda of the meeting at which the proposed amendment is to be discussed. (Wool and Allied Textile.)

11. RELATION OF A JOINT INDUSTRIAL COUNCIL TO THE GOVERNMENT.

It is desirable that there should be intimate and continuous touch between the Industrial Councils and the various Government Departments interested, not only to secure prompt attention from the right officials, but also to obtain information as to what other Councils are doing. To meet this need the Ministry of Labour has, at the request of the Government, set up a special section dealing with Industrial Councils.

Where any Industrial Council so desires, a civil servant with the necessary experience will be assigned the duties of Liaison Officer by the Ministry of Labour. He will act only as and when required and in a purely advisory and consultative capacity, and will be available when desired for any meetings of the Council.

By this means similarity of method and continuity of policy in the various Industrial Councils will be assured, and the experience and proposals of one Council will be available for all the others.

12. DISTRICT COUNCILS AND WORKS COMMITTEES.

It will be necessary for the Council when formed to consider the necessary arrangements for District Councils and Works Committees if the conditions of the industry are such as to require them. Obviously existing local conditions and existing organizations will have to be taken into account and the variety of such conditions' carefully considered. The Ministry of Labour will be glad to supply examples of existing schemes and other information at their disposal.

(b) District Councils of National Joint Industrial Councils.

The Whitley Report states that:—

“The National Joint Industrial Council should not be regarded as complete in itself: what is needed is a triple organization—in the workshops, the districts, and nationally. Moreover, it is essential that the organization at each of these stages should proceed on a common principle, and that the greatest measure of common action between them should be secured. With this end in view, we are of opinion that the following proposal should be laid before the National Joint Industrial Councils:—That District Councils representative of the Trade Unions and of employers' Associations in the industry should be created or developed out of the existing machinery for negotiation in the various trades.”

It is clear that the Whitley Report contemplates wherever possible that the Joint Industrial Council should be established in the first instance, and that this National Council should as soon as possible consider the question of the formation of District

Councils. In almost all the Constitutions of Joint Industrial Councils hitherto submitted to the Minister of Labour, the following appears among the more specific objects of the Joint Industrial Council:—

“The consideration of the proposal for District Councils as put forward in the Whitley Report, having regard in each case to any such organization as may already be in existence.”

At the request of several of the Joint Industrial Councils already formed, the Ministry of Labour has drawn up the following Memorandum on the Constitution and Functions of District Councils, which is to be regarded as putting forward not hard-and-fast rules, but suggestions which may serve as a basis for discussion when the question of District Councils is being considered by Joint Industrial Councils. The underlying principle of the Whitley Report is that the Constitution and Functions not only of the Joint Industrial Council but also of the District Councils should be left to be determined by the industries themselves in accordance with their special conditions and circumstances.

A.—FUNCTIONS OF DISTRICT COUNCILS.

The main functions of District Councils would be as follows:—

1. To consider any matters that may be referred to them by the National Joint Industrial Council, and to take executive action within their district in connection with decisions arrived at and matters deputed to them by it.
2. To make recommendations to the National Joint Industrial Council.
3. To consider any matters of interest to their district, including matters referred to them by Works Committees, and to take executive action with regard to matters that affect only their particular district, subject to the right of the National Council to veto any such action if it be found to involve the interests of other districts.

The following may be regarded as among the more specific functions falling under this head (No. 3):—

- (a) The regular consideration of hours, wages, and working conditions, including the codification, unification, and amendment of working rules relating to holidays, juvenile labour, overtime, the shift system, etc. (N.B.—Special attention is called to the fact that no executive action should be taken upon these matters if such action is likely to involve the interests of other districts. In any cases of doubt, the District Council should consult the National Council before taking action.)
- (b) The co-ordination of local workshop practice.
- (c) General district matters relating to welfare work.
- (d) The provision of facilities for the full consideration and utilization of inventions, and any improvement in machinery or method, and for the adequate safeguarding of the rights of the designers of such improvements, and to secure that such improvement or invention shall give to each party an equitable share of the benefits (financially or otherwise) arising therefrom.
- (e) The improvement of health conditions obtaining in the industry and the provision of special treatment, where necessary, for workers in the industry.
- (f) The supervision of entry into, and training for, the industry and co-operation with the educational authorities in arranging education in all its branches for the industry.
- (g) The arrangement of lectures and the holding of conferences in the district on subjects of general interest to the industry.

4. Co-operation with the District Councils for other industries to deal with problems of common interest.

5. Where no adequate machinery exists for the settlement of differences between different parties and sections of the industry, to consider any such differences as cannot be settled within an individual factory or workshop, and to refer to the National Council any such matters upon which the District Council fails to come to a decision.

B.—CONSTITUTION OF DISTRICT COUNCILS.

1. *Areas of District Councils.*—It would clearly be the work of the National Joint Industrial Council in consultation with the existing local Associations to define the suitable areas to be covered by District Councils. It is suggested that a District Council should not cover a larger area than is compatible with decentralized action.

2. *Membership.*—The Council shall consist of members, appointed as to one-half by Associations of Employers, and as to the other half by Trade Unions. Members of the National Council shall be ex-officio members of the District Council in their area.

<i>Associations of Employers.</i>	<i>No. of Representatives.</i>
(1)	
(2)	
(3)	
&c.	
	Total _____

<i>Trade Unions.</i>	
(1)	
(2)	
(3)	
&c.	
	Total _____

(N.B.—When the question of membership is under consideration the National Council will have to consider carefully the question of linking up District Councils with Works Committees, if and when such exist. Provision might be made in the constitution for a certain proportion of members of the District Council to be representatives elected from a conference of Works Committees if and when a sufficient number of Works Committees are set up within the area of the District Council. The National Council should also consider the advisability of linking up the District Councils with the Local Advisory Committees appointed by the Ministry of Labour to advise the Local Employment Exchanges, especially on matters connected with Demobilization.)

3. *Re-appointment.*—The representatives of the said Associations and Trade Unions shall retire annually, and shall be eligible for re-appointment by their respective Associations and Unions. Casual vacancies shall be filled by the Association concerned, which shall appoint a member to sit until the end of the current year.

4. *Committees.*—The District Council may delegate special powers to any Committee it appoints. The Reports of all Committees shall be submitted to the District Council for confirmation, except where special powers have been delegated to the Committee, and the District Council shall have power to appoint on Committees, or to allow Committees to co-opt such persons of special knowledge, not being members of the Council, as may serve the special purposes of the District Council.

5. *Officers.*—It might be advisable under this head to follow the method adopted in the Constitution of the corresponding National Joint Industrial Council.

6. *Meetings of the District Council.*—The ordinary meetings of the District Council shall be held as often as necessary, and not less than once a quarter. The annual meeting shall be held at least fourteen days before the annual meeting of the National Joint Industrial Council. A special meeting of the Council shall be called within days of the receipt of a requisition from one-third of the members of the Council. The matters to be discussed at such meetings shall be stated upon the notice summoning the meeting.

7. *Voting.*—The voting, both in Council and in the Committees, shall be by show of hands, or otherwise as the District Council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of members present on each side of the District Council.

8. *Quorum.*—The quorum shall be members on each side of the Council.

9. *Finance.*—It might be advisable to adopt the method laid down in the Constitution of the corresponding National Joint Industrial Council.

10. *Minutes.*—Copies of the Minutes of all meetings of District Councils shall be forwarded to the Joint Secretaries of the National Council within one week of the meeting.

NOTE.

The relation of District Councils to the National Joint Industrial Council and to the Government.

The functions and Constitution of District Councils shall be submitted to the National Council for their approval, and copies of such Constitutions, and the membership of the various District Councils should be sent by the National Joint Industrial Council to the Ministry of Labour.

Any communications addressed to Government Departments by District Councils must not be sent direct, but through the National Industrial Council.

(c) **Works Committees in Industries in which National Joint Industrial Councils are established.**

The differing circumstances of different industries make it impossible to devise any scheme suitable to every industry. Again, the type of Works Committee suitable will vary with the size of the firm and the form taken by organization among the employees. In preparing a scheme, therefore, the machinery outlined in the following suggestions may require to be adoptd in greater or less degree if the general objects for which Works Committees are recommended are to be attained. These general objects are:—

1. That the workpeople should be given a wider interest in, and greater responsibility for, the conditions under which their work is performed.
2. That the regulations contained in collective agreements drawn up by District and National Authorities be enforced in the works.
3. That friction and misunderstanding be prevented so far as possible.

The attainment of these objects demands the establishment of recognized means of consultation between management and workpeople. At the same time, anything that is done—whether or not is embodied in the Works' Rules drawn up by the Works Committee—must be consistent with the principles of the collective agreements accepted by the District and National Authorities. For this reason steps should be taken to secure the closest possible connection between the Works Committee and the District and National Councils.

CONSTITUTION.

(1) The Works Joint Committee shall be composed of (a) representatives of the workpeople, and (b) representatives of the management.

In considering questions of membership, it will be found more convenient to treat (a) and (b) separately.

(a) Workers' Side of Joint Committee.

(i) The number of representatives will vary with the size and the complexity of the particular works. Some number from 5 to 12 is suggested as likely to suit most circumstances.

(ii) The members of the workers' side should be trade union representatives.

The National and District Councils are based solely upon the representation of organizations. In the case of the works, in order to secure cohesion of policy as between the Works Committee and the District and National Councils, it is advisable that the Works Committee should normally be based on a recognition of the workpeople's organizations.

But, in particular factories where the workmen are not strongly organised, or where the functions of the Works Committee are such as to require the presence of workers who are not organized, it may be found necessary to depart from the principle laid down above. In these circumstances, however, the shop stewards, or other trade union representatives in the works, should be consulted on all questions affecting district or national agreements. Any deviation from the general scheme should be adopted only after approval by the Industrial Council on a consideration of the merits of the case.

(iii) The representation should normally be on the basis of departments, due allowance being made for the various sections of workers engaged in any department.

In order that this may not sometimes necessitate a Committee of unwieldy size, it is suggested that for large or complex works the workers' side of the Joint Committee should be appointed by and from a larger body of workers' representatives elected from the various departments.*

(iv) The representatives should be appointed for a definite term of office—6 or at most 12 months—and should be eligible for re-election.

(v) The election should be by ballot, or by departmental (or sectional) meetings especially convened for the purpose.

(vi) The workers' side should appoint a chairman and a secretary.

(vii) On any representative leaving the employment of the firm or resigning his position as member, a successor shall be appointed in the ordinary way by the department or section concerned, to hold office for the remainder of the term.

(b) Management Side of Joint Committee.

(i) Certain members of the managerial staff should form a constant nucleus of the management side. (*See* (4) below.)

(ii) The number required for (i) will vary, but 2, 3, or 4 is suggested as a suitable number.

* See also notes (1) and (2), p. 45.

To have an equal number of members on the two sides would in most works be impracticable, and, in view of the suggested procedure, is unnecessary. (See, in particular, para. (11) under Procedure below.)

(iii) This number should be made up of such individuals as a Managing Director, the Works Manager, and, where there is such an official, the Labour or Welfare Superintendent.

(2) The Joint Committee will be composed of the individuals in (a) (i) and (b) (i) coming together in joint meeting.

(3) The Joint Committee should appoint a chairman and a vice-chairman (one from each side). Each side should appoint its own secretary.

(4) Either side shall have the right to add to its number representatives of the particular departments or sections of departments affected by a question under discussion and not directly represented on the Committee. The addition shall be made only for the period during which the question affecting the particular departments or sections of departments is before the Committee.

(5) The recognized district official of any trade union or employers' association concerned may attend any meeting in an advisory capacity.

NOTE (1).—It may be found necessary to leave certain questions to be settled not by the whole Works Committee, but by a sub-committee of it on which the workers' representatives are drawn only from the particular department or section directly concerned, for example, a piecework question in one department of a works which is mainly on timework. The size of the works, also, is a factor which must be taken into account in considering the need for sub-committees. In some instances departmental sub-committees and in others functional sub-committees (e.g., a "Safety" Committee or a Welfare Committee) may best suit the circumstances. Even where definite sub-committees are not arranged for, work of the same kind as these would perform may often be carried out by consultation between the representatives of the management and the secretary of the workers' side along with the representatives of a department.

NOTE (2).—In large works it will probably be found desirable to establish departmental committees, with a Works Committee representative of all the departments chosen from the departmental committees. In such cases, the functions of the departmental committees will be confined to matters affecting the department only, whilst the Works Committee will consider questions affecting more than one department or the whole works. The workers' side of a departmental committee should be so elected as to give representation to each of the various sections of workers engaged in the department.

PROCEDURE.

(1) Meetings of the Joint Committee shall be held at regular intervals of $\left\{ \begin{matrix} \text{two} \\ \text{four} \end{matrix} \right\}$ weeks. The meetings shall be held during working hours.

(2) Special meetings of the Joint Committee shall be called at hours' notice on a request on behalf of one side by its secretary to the secretary of the other side.

(3) The agenda of business shall be submitted by the secretaries to each member of the Committee at least hours before a meeting, except in a case of special meetings.

(4) No business other than that appearing on the agenda shall be transacted at any meeting unless both sides agree to its introduction.

(5) When an individual workman desires to bring any question before the Committee he should report to his departmental or sectional representative, who in the case of grievances shall endeavour to reach a settlement. Failing a settlement, the representative shall inform the workers' secretary. The latter shall endeavour to arrange a settlement. Failing a settlement, the question shall come before the Joint Committee.

(6) In the course of his duties the secretary of the workers' side shall have the right to enter any department in the works, and the representative of any department or section the right to enter the department in which the secretary is at work.

(7) Facilities should be provided for meetings of the workers' side of the Committee in the works, normally after working hours or during meal hours.

(8) The workers' representatives should be paid at their ordinary rate for time spent at meetings of the Joint Committee.

(9) Duplicate books of minutes should be kept, one by the secretary of each side.

(10) Copies of the minutes of all meetings of the Joint Committee must be sent to the secretaries of the District Council within seven days of the date of meeting.

(11) Decisions shall be arrived at only by agreement between the two sides.

(12) In the event of any matter arising which the Committee cannot agree upon, the officials of the trade union or unions concerned shall negotiate with the firm or, if desired, with the officials of the employers' association. The question may thereafter be referred by either side to the District Council.

(13) The Works Committee shall not have any power to come to an agreement inconsistent with the powers or decisions of the District or National Councils or with any agreement between a trade union and the employers' association. Further, any agreement come to by a Works Committee may at any time be superseded by the District or National Council or by agreement between a trade union and the employers' association.

FUNCTIONS.

The list of functions outlined below is not meant to be exhaustive. Almost every industry has rules or customs which arise from the particular conditions under which the work of the industry is carried on (*e.g.*, the payment of "dirty money," provision of tools, allowances for working away from the works or from home, allowances on standard district piece prices for deficiencies in material or machinery, etc.). In a well-regulated industry many such matters will be subject to district or national agreements, and the powers of a Works Committee will be limited in the same manner as they will be in regard to the more general questions of district or national agreement (standard rates, piece prices, normal hours, overtime, etc.). No attempt has been made to include such questions as arise only in some industries, for which each National Council concerned will have to decide upon a method of regulation, including the powers to be vested in Works Committees.

In regard to any function, the powers of a Works Committee will be controlled in accordance with paragraph (13) under Procedure.

(1) The issue and revision of works rules.

(2) The distribution of working hours; breaks; time recording; etc.

(3) The payment of wages (time, form of pay ticket, etc.); explanation of methods of payment; the adjustment of piece prices, subject to district or national agreements; records of piece prices; deductions; etc.

(4) The settlement of grievances.

(5) Holiday arrangements.

(6) Questions of physical welfare (provision of meals, drinking water, lavatories and washing accommodation, cloakrooms, ventilation, heating and sanitation; accidents, safety appliances, first aid, ambulance, etc.).

(7) Questions of discipline and conduct as between management and workpeople (malingering; bullying; time keeping; publicity in regard to rules; supervision of notice boards, etc.).

(8) Terms of engagement of workpeople.

(9) The training of apprentices and young persons.

(10) Technical library; lectures on the technical and social aspects of the industry.

- (11) Suggestions of improvements in method and organization of work; the testing of suggestions.
- (12) Investigation of circumstances tending to reduce efficiency or in any way to interfere with the satisfactory working of the factory.
- (13) Collections (for clubs, charities, etc.).
- (14) Entertainments and sports.
- (15) The provisions of facilities for the workers' side of the Joint Committee (or of a departmental committee, if any) to conduct its own work.

